



# ***Daily Report***

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## **China**

**FBIS-CHI-95-073  
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# Daily Report

## China

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### CONTENTS

17 April 1995

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#### INTERNATIONAL AFFAIRS

##### General

Spokesman on Qian-Hurd Meeting, Other Topics [ZHONGGUO XINWEN SHE] .....	1
Qian Arrives in New York for NPT Meeting [XINHUA] .....	1
Jiang Appoints New Envoys to Pakistan, UN [XINHUA] .....	1
SRV To Work for Full Normalization With U.S. [XINHUA] .....	1
U.S., ROK To Hold Joint Military Exercise [XINHUA] .....	2
Liu, Japanese, U.S. Officials Meet at APEC [XINHUA] .....	2
*Article Views U.S., European, Japanese Economies [XIANDAI GUOJI GUANXI 13 Jan] .....	3

##### United States & Canada

PLA's Xiong Meets Perry, U.S. Officials [XINHUA] .....	7
Wu Bangguo Meets With U.S. Nuclear Official [XINHUA] .....	7
Vice Foreign Minister Liu Meets U.S. Officials [XINHUA] .....	7

##### Northeast Asia

Further Reportage on Qiao's Japan, ROK Visit .....	7
Visits Sony, Toyota Facilities [XINHUA] .....	7
Mourns Earthquake Victims [XINHUA] .....	8
Discusses Economic Growth [XINHUA] .....	8
Arrives in ROK [XINHUA] .....	8
Further on Arrival [XINHUA] .....	8
Wang Hanbin Meets With ROK Delegation [XINHUA] .....	9
DPRK's Chang Chol Receives Government Delegation [Beijing International] .....	9

##### Near East & South Asia

Further Reportage on Wu's March North African Visit .....	9
Meets Moroccan Prime Minister [XINHUA] .....	9
Visit 'Complete Success' [XINHUA] .....	9
Nepalese Prime Minister Prepares for Visit .....	10
Pre-Visit Interview Given [XINHUA] .....	10
Arrives in Beijing [XINHUA] .....	10

##### West Europe

Qian Qichen Leaves Iceland for New York [XINHUA] .....	10
Further Reportage on Portuguese President's Visit .....	11
Visits Xian [XINHUA] .....	11
Visits Shanghai [XINHUA] .....	11
Concludes PRC Visit [XINHUA] .....	11

##### East Europe

Reportage on Polish Official Luczak's Visit .....	11
Cooperation Agreement Signed [XINHUA] .....	11
Describes Visit as 'Very Satisfactory' [XINHUA] .....	12



## NATIONAL AFFAIRS

### Political & Social

Central Media Reports Chen Yun Cremation Ceremony .....	13
Beijing TV Report .....	13
XINHUA Domestic Report .....	13
Senior Leaders Pay Respects [XINHUA] .....	14
Qiao Shi, Qian Qichen Messages [XINHUA] .....	14
Flag To Fly at Half-Mast [XINHUA] .....	14
Deng's Absence at Chen Yun's Ceremony Noted [AFP] .....	14
Chen Yun Profiled in National Newspapers [XINHUA] .....	15
XINHUA Extols Chen's Life .....	15
Hong Kong Newspapers Report Further on Chen Yun .....	22
Cremation 17 Apr [Hong Kong TA KUNG PAO 15 Apr] .....	22
'Atmosphere' of Stability Exists [Hong Kong LIEN HO PAO 17 Apr] .....	23
Chen Dies of 'Renal Failure' [Hong Kong LIEN HO PAO 15 Apr] .....	24
Chen, Deng Differences Settled [Hong Kong EASTERN EXPRESS 17 Apr] .....	24
PRC-Affiliated Hong Kong Press on Chen Death [TA KUNG PAO, etc] .....	24
Jiang Zemin, Li Peng on Planned Parenthood [XINHUA] .....	26
Jiang Zemin Orders Crackdown on Triad Gangs [Hong Kong SOUTH CHINA MORNING POST 15 Apr] .....	28
Qiao Shi, Others Address People's Congress Forum [XINHUA] .....	29
Zou Jiahua on Resettling Three-Gorges Residents [XINHUA] .....	30
Tian Jiyun Inspects Guangdong Province 7-16 Apr [XINHUA] .....	30
Legislation Passed To Protect Historical Cities [XINHUA] .....	30
Circular Urges Learning From Model Cadre [XINHUA] .....	31
CPC Document Warns Against 'Infiltration' [Hong Kong LIEN HO PAO 15 Apr] .....	31
Senior Officials To Learn Computer Operations [XINHUA] .....	32
Procuratorate To Focus on 5 Types of Cases [XINHUA] .....	32
World Meeting on Rural Women Opens in Beijing [XINHUA] .....	32

### Science & Technology

Li Peng Meets With Outstanding Young Scientists [XINHUA] .....	33
Symposium Focuses on Man-Made Disasters [CHINA DAILY 15 Apr] .....	33
Shanghai Builds Satellite Earth Station [XINHUA] .....	33
Laboratory Claims China's First Ion Source [XINHUA] .....	34

### Military & Public Security

Beijing Secretary Speaks at Municipal Briefing .....	34
'Integrate' Public Security Work [BEIJING RIBAO 6 Apr] .....	34
Boosting Campus Security [BEIJING RIBAO 29 Mar] .....	35
Zhang Zhen Inspects Jiangsu, Shanghai [Beijing TV] .....	36
Inner Mongolia Cracks Tax Receipts Forgery Case [NEIMENGGU RIBAO 13 Mar] .....	36

## ECONOMIC AFFAIRS

### General

Vice Premier Inspects Enterprises in Sichuan [XINHUA] .....	38
Political Bureau's Tian Jiyun Inspects Sichuan [XINHUA] .....	38
State Property Official Views Natural Resources [XINHUA] .....	39
Nation Exploits Salt Lake To Produce Chemicals [XINHUA] .....	40
State-Owned Enterprises Need Management Accountants [Hong Kong EASTERN EXPRESS 17 Apr] .....	40
Chemical Industry Minister Outlines Plans [CHINA DAILY (BUSINESS WEEKLY) 15-22 Apr] ..	40
Chemical Industry Aims for 10 Percent Growth [CHINA DAILY (BUSINESS WEEKLY) 16-22 Apr] .....	41
Science Organization Promotes Economic Cooperation [XINHUA] .....	42

Nation Standardizes Advertisements by Means of Law [XINHUA] .....	42
Circular Urges Tightening Seal Business Management [XINHUA] .....	42
New Rules Govern Satellite Telecommunications [CHINA DAILY 15 Apr] .....	43
Tax Turnover Grows by 26 Percent in 3 Months [XINHUA] .....	43
Journal on Nation's Poor Regions Inaugurated in Beijing [XINHUA] .....	43
Finance Expert Gives Views on Controlling Inflation [ZHONGGUO TONGXUN SHE] .....	43
*Task Force Reports on Bankruptcy Law Reform Needs [JINGJIXUE DONGTAI 18 Oct] .....	44

#### Finance & Banking

Chen Yuan Talks About Banking Reform, Growth [XINHUA] .....	47
Banks Reluctant To Finance Infrastructure Projects [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 17 Apr] .....	48
Bond Custody, Settlement Company To Be Set Up [CHINA DAILY (BUSINESS WEEKLY) 16-22 Apr] .....	49

#### Foreign Trade & Investment

Li Lanqing Meets With U.S. Businessman [XINHUA] .....	50
U.S. Fire Insurance Firm Opens Office in Xiamen [XINHUA] .....	50
Chen Xitong Meets Japanese Business Executive [XINHUA] .....	50
Japanese Automaker To Provide Service Network [XINHUA] .....	50
Rising Yen Brings More Japanese Investment [CHINA DAILY (BUSINESS WEEKLY) 16-22 Apr] .....	50
Wu Yi Promises Further Reform of Import Regime [CHINA DAILY (BUSINESS WEEKLY) 16-22 Apr] .....	51
Ningbo Sells Infrastructure Rights to Investors [XINHUA] .....	52
Efforts Made To Increase Trade With Russia [CHINA DAILY (BUSINESS WEEKLY) 16-22 Apr] .....	52
Overseas Investment Surges in Computer Industry [XINHUA] .....	53
Foreign-Funded Export Commodities Fair Opens [XINHUA] .....	53
Firms To Participate in 3 'Golden' Projects [CHINA DAILY 15 Apr] .....	53
Bureau on Foreign Investment for Infrastructure [XINHUA] .....	54
Shanghai's Pudong Area Exports Up in First Quarter [XINHUA] .....	54
Administration Urges PC Users Not To Copy Software [XINHUA] .....	55
Guangdong Opens 77th Export Commodity Fair 15 Apr [XINHUA] .....	55
Guangzhou Benefits From Use of Foreign Loans [XINHUA] .....	55

#### Agriculture

Jiang Chunyun Urges Comprehensive Development [XINHUA] .....	56
'Economic Green Paper' Points Out Rural Problems [CHINA DAILY 15 Apr] .....	56
Shandong Secretary on Agricultural Work [DAZONG RIBAO 11 Mar] .....	57
Sichuan Secretary Addresses Work Meeting [Chengdu Radio] .....	62
Fund To Hedge Against Grain Price Fluctuation [XINHUA] .....	62
Henan Secretary Inspects Disaster Areas [Zhengzhou Radio] .....	62
Xinjiang, Shanghai Agree To Transfer Textile Firms [Urumqi TV] .....	63
Water-Saving Agriculture To Be Promoted [XINHUA] .....	63
*Shaanxi Province Reports Cotton Area [ZHONGGUO FANGZHI BAO 27 Feb] .....	63
*Guangxi Reports Spring Grain Area [XINAN JINGJI RIBAO 6 Apr] .....	63
*Anhui Province Sets Agricultural Goals for 1995 [ANHUI RIBAO 29 Mar] .....	63

#### REGIONAL AFFAIRS

##### East Region

Coverage of Fujian Secretary's Recent Activities .....	64
Stresses Enterprise Reform, Trade [Fuzhou Radio] .....	64
Discusses Report With Deputies [Fuzhou Radio] .....	64
Fujian Congress Hears Work Reports [Fuzhou Radio] .....	64
Jiangxi Leaders Relay Jiang Speeches [Nanchang Radio] .....	65

Jiangxi Appoints New Party Secretary [XINHUA]	66
Jiangxi Leaders Speak on Leadership Changes [Nanchang Radio]	67
Shandong's Zhao Gives Directives on Development [Jinan Radio]	69
Shanghai's Pudong Formulates 5-Year Plan [XINHUA]	69
Shanghai's Population Composition Resembles West [XINHUA]	70
Zhejiang Governor Speaks on Anticorruption Work [Hangzhou Radio]	70
Zhejiang Sets Up 95 Job Service Organs [XINHUA]	71

### Central-South Region

Reportage on Guangdong's New Assistance Committee	72
Assistance Committee Established [XINHUA]	72
Further on Resettlement [XINHUA]	72
Guangxi Prison Officials Claim Success [XINHUA]	72
Director Briefed on Airport Projects in Hainan [Haikou Radio]	73
Hainan Governor Meets Businessmen [Haikou Radio]	73
Henan Cadres Executed After Unsuccessful Appeal [XINHUA]	74
Hubei's Jia Speaks on Enterprise Revitalization [Wuhan Radio]	74
Coverage of Hubei Economic Reform Meeting	75
Meeting Opens [Wuhan Radio]	75
Jia Speaks at Closing [Wuhan Radio]	76
Hunan Leaders Attend Ideological Meeting [Changsha Radio]	76

### TAIWAN

Continuing Reportage on Li's Six-Point Statement	78
Official Defends Statement [CNA]	78
Spokesman Reiterates Stand [CNA]	78
Taiwan Lobbies To Attend UN Ceremony [CNA]	78
Patrols To Protect Operations in North Pacific [CNA]	79
Group Uses Satellite Photos To Monitor Spratlys [Taipei Radio]	79
Chairman Urges Beijing To Drop Threat of Force [CNA]	79
Official Sees No Power Struggle Before 1997 [CNA]	79
Taiwan Seeks Stronger Role in Asia-Pacific [CNA]	80
Minister Attends APEC Meeting, Seeks Support [CNA]	80
Li Says Ties With Dominican Republic 'Strong' [CNA]	81
Argentine Authorities Urged To Release Trawler [CNA]	81
Institute, Russian Academy Forge Ties [CNA]	81
Taiwan-Czech Economic, Trade Association Founded [CNA]	82
Centennial Commemoration of Treaty Planned [CNA]	82
Delegation Leaves [CNA]	82
Petroleum Company Forms Joint Venture in Qatar [CNA]	83
New Malawi Envoy Presents Credentials [CNA]	83

### HONG KONG & MACAO

#### Hong Kong

Coverage of Hong Kong Seamen Abduction	84
Mainland Releases Seamen [Hong Kong Radio]	84
Editorial Views Release [Hong Kong SOUTH CHINA SUNDAY MORNING POST 16 Apr]	84
Marchers Protest Imprisonment of Xi Yang [Hong Kong SOUTH CHINA SUNDAY MORNING POST 15 Apr]	85
Chen Yun Death Not To Affect Economies [ZHONGGUO TONGXUN SHE]	85
Editorial Criticizes Objectives of U.S. Report [Hong Kong WEN WEI PO 14 Apr]	85
Douglas Hurd To Press Qian on Airport Financing [Hong Kong SOUTH CHINA SUNDAY MORNING POST 16 Apr]	87
Projects To Boost Links With Pearl River Delta [Hong Kong SOUTH CHINA SUNDAY MORNING POST 14 Apr]	87
Reportage on Civil Service Issue	88

Official Answers Patten [XINHUA] .....	88
Lu Casts Doubt on Future [Hong Kong SOUTH CHINA SUNDAY MORNING POST 16 Apr] .....	88
Editorial Views Retirements [Hong Kong SUNDAY HONGKONG STANDARD 16 Apr] .....	89
Lu Ping Views Barring Advisers From Meetings [Hong Kong SOUTH CHINA MORNING POST 17 Apr] .....	89
Editor Critizes Functional Constituency Elections [Hong Kong HONGKONG STANDARD 15 Apr] .....	90

**General**

**Spokesman on Qian-Hurd Meeting, Other Topics**

HK1404144695 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0748 GMT 14 Apr 95

[FBIS Translated Text] Beijing, 14 Apr (ZHONGGUO XINWEN SHE)—When talking about the meeting between Qian Qichen, Chinese vice premier and foreign minister, and British Foreign Secretary Douglas Hurd, scheduled for 18 April, Chinese Foreign Ministry spokesman Chen Jian said: Both China and Britain are influential countries in the world. The Chinese Government has consistently attached great importance to maintaining good Sino-British relations. Relations have suffered great setbacks in the last few years, but the responsibility did not lie with the Chinese side and that was also the last thing the Chinese side wished to see. Recently the British side has expressed the desire to improve Sino-British relations on many occasions. The Chinese side welcomes this gesture and hopes the British will match their words with deeds, doing more solid things, reducing trouble, and intensifying cooperation in dealing with Sino-British relations and the Hong Kong issue. This will contribute to the smooth transfer of sovereignty in Hong Kong and help improve Sino-British relations.

Chen made the above remarks when asked by a reporter what China expects of the meeting. When asked to comment on U.S. President Bill Clinton's recent statement that it is not necessary for the U.S. to apologize to Japan for dropping two atom bombs in Japan during World War II, Chen replied: We took note of this report. This year marks the 50th anniversary of the World War II victory over fascism. World War II brought great disasters to the people of many countries in the world, including the people of the United States and Japan. There have been great changes in the international situation since the war ended. Various countries in the world should draw lessons from the war and make common efforts to increase mutual understanding and cooperation to contribute to world peace, stability, and prosperity.

A reporter asked Chen today: The U.S. Congress reportedly will deliberate the "Helms-Burton [bo dun 0130 7319] bill" designed to intensify the blockade against Cuba. What is China's stance on this?

Chen replied: The United States has enforced a blockade against Cuba for a long time. Naturally China opposes it because it violates international law and the norms governing state-to-state relations. China has always maintained that no country is entitled to interfere in another country's internal affairs, to say nothing of imposing its own laws on the latter. Clearly, the U.S. Congress's decision is inappropriate.

Economic ministers from three ASEAN countries, China, Japan, and South Korea, are scheduled to meet in

late April. When asked to comment on the meeting, Chen said: It is useful for promoting economic cooperation and development in east Asia and other parts of the world for countries in this area to exchange views on economic problems of mutual concern. China appreciates and supports ASEAN's efforts for this purpose.

**Qian Arrives in New York for NPT Meeting**

OW1604015895 Beijing XINHUA in English 0123  
GMT 16 Apr 95

[FBIS Transcribed Text] New York, April 15 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen arrived here today to attend a conference on extending the nuclear Nonproliferation Treaty.

Qian is scheduled to address the conference on Tuesday, April 18.

During his stay in New York, Qian will also hold bilateral talks with some foreign ministers.

The conference will start on Monday and last about four weeks.

**Jiang Appoints New Envoys to Pakistan, UN**

OW1404123795 Beijing XINHUA in English 1204  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Chinese President Jiang Zemin today appointed some new ambassadors according to a decision made by the Standing Committee of the National People's Congress.

Zhang Chengli will replace Zhou Gang as the Chinese ambassador to Pakistan.

Guan Dengming will replace Huang Guifang as the Chinese ambassador to the Philippines.

Huang Guifang will replace Li Jinhua as the Chinese ambassador New Zealand.

Li Changhe was appointed China's permanent representative and ambassador to the United Nations (Vienna), replacing Chen Shiqu.

**SRV To Work for Full Normalization With U.S.**

OW1504041895 Beijing XINHUA in English 0358  
GMT 15 Apr 95

[FBIS Transcribed Text] Hanoi, April 15 (XINHUA)—Vietnamese Prime Minister Vo Van Kiet said here today his country will work gradually toward full normalization with the United States, according to today's official report.

Kiet made the remarks during a meeting with Floyd Spence, chairman of the U.S. House of Representatives' Committee for National Security, who is currently visiting here.

The prime minister said normal relations between Vietnam and the U.S. would serve the interests of both



countries and contribute in an important way to peace, stability and development in southeast Asia and the Pacific.

He reiterated that Vietnam will continue to cooperate in the search for American soldiers reported missing in action (MIAs), and will welcome all those who want to assist in the search for the MIAs.

Spence said he hoped relations between the two countries would develop over time.

Vietnam-U.S. relations have improved considerably since U.S. President Bill Clinton lifted a trade embargo against Vietnam in February 1994 and liaison offices were established in both country's capitals early this year.

#### **U.S., ROK To Hold Joint Military Exercise**

OW1504161395 Beijing XINHUA in English 1446 GMT 15 Apr 95

[FBIS Transcribed Text] Washington, April 14 (XINHUA)—The United States and South Korea will conduct a joint military exercise in South Korea late this month to rehearse how troops on the Korean Peninsula will be reinforced in a crisis, the Pentagon said on Friday [14 April].

A senior Pentagon official who asked not to be identified told reporters that about 13,000 American and South Korean troops would take part in the "Command Post" exercise which is scheduled to end in mid May.

Some 1,300 American servicemen from other regions will also join the exercise, the official said.

"It will be close to a paperwork exercise," the official said, adding that no large-scale movements were expected in the event.

He said that U.S. and South Korean commanders would train on receiving troops into South Korea from outside, staging them and then moving them on to battle points.

The announcement came only one day after the United States and the Democratic People's Republic of Korea (DPRK) suddenly recessed their negotiations on the two light-water reactor supplier issue on Thursday in Berlin, Germany.

The two sides have been at loggerheads over who should supply the DPRK two reactors under their landmark nuclear accord signed last October in Geneva.

The DPRK has rejected the U.S. pressure to accept the South Korean reactors as they have been described as "unsafe technically".

However, the Pentagon official said that the timing of the exercise was not tied to the reactor negotiations and planning for it was done late last year.

The DPRK has stressed that such joint military exercises are war preparations" and can only spoil the atmosphere in the Korean Peninsula.

#### **Liu, Japanese, U.S. Officials Meet at APEC**

OW1504163795 Beijing XINHUA in English 1456 GMT 15 Apr 95

[FBIS Transcribed Text] Denpasar, Indonesia, April 15 (XINHUA)—Indonesian Vice President Try Sutrisno has urged members of the Asia-Pacific Economic Cooperation (APEC) forum to create a freer, open, just and equitable, as well as mutual beneficial economic cooperation.

He made the appeal here today at the opening ceremony of the second APEC Finance Ministers Meeting which was attended by representatives of all the 18 APEC members.

To promote such cooperation among the APEC members, Sutrisno called on the participants of the meeting to foster understanding by conducting a consultative and communicative dialogue for an open and frank exchange of information and ideas.

Pointing out that this meeting is being held at the time when the world is experiencing a tremendous rapid change, he said that the balance of international finance system and money market would be the focus of world attention.

To achieve the APEC's goal of free and open trade within the Asia-Pacific by the year 2020, the vice president expressed the hope that in the deliberations, ideas will be developed that will assist the world community in stabilizing world money market over the long term.

One of the most important tasks of this meeting is to identify new policies and actions in the field of international finance, that can contribute to the growth of trade and investment, particularly in this region, and in the world in general, Sutrisno said.

Delegates from the developing countries saw this meeting as a great opportunity to directly tell the Japanese and US ministers of the impact of the volatility of their currencies, as the issue of exchange rate volatility would be one of the items on the agenda.

Japan's Finance Minister Masayoshi Takemura is leading the biggest delegation to the meeting with 30 delegates and supporting staff, while US Secretary of Treasury Robert Rubin is here with a 15-member team for the meeting which is the follow-up of the APEC meeting in Honolulu, Hawaii, in March 1994.

The Chinese delegation is led by Finance Minister Liu Zhongli, who met the Japanese Minister and the US Secretary, respectively, today to exchange useful information and views on the latest economic development in the world.



**\*Article Views U.S., European, Japanese Economies**

95CM0140 Beijing XIANDAI GUOJI GUANXI  
[CONTEMPORARY INTERNATIONAL RELATIONS]  
in Chinese No 1, 13 Jan 95 pp 33-37

[Article by Wei Min: "Economic Strengths of U.S., Europe, Japan Compared"]

[FBIS Translated Text] In the current three-way competition for economic strength among the United States, Europe, and Japan, the United States holds the lead in terms of economic resurgence, overall technological might, industrial structure modification, and economic competitiveness. The U.S. economy, which relies primarily upon structural modification as a motive force, will enter a phase of self-sustaining development. However, the U.S. economy is handicapped by troubles stemming from a high financial deficit, a large debt, and a low rate of savings, and robust growth is unattainable. The recovering economies of Europe and Japan are still undergoing the pains of structural modification and economic transition, but this does not mean that they will forever lag behind the United States. As their structural modification goes ahead and they gradually resolve their problems, the European and Japanese economies may show higher margins of growth.

A comparison over the past several years of three economic powers, the U.S., Europe, and Japan, reveals a situation that has drawn widespread attention: While the U.S. economy has experienced a recovery and has steadily grown more competitive, the economies of Europe and Japan have done relatively poorly. Below is an analysis of the recent changes in economic strengths among the U.S., Europe, and Japan.

**1. Current Competition among the United States, Europe, and Japan**

The U.S. economy presently holds a competitive advantage over the economies of Europe and Japan in quite a few respects.

**(1) The U.S. economy has recovered ahead of Europe and Japan.** The U.S. economy, the world's largest, currently has a gross domestic product (GDP) of \$6.7759 trillion. During the cyclical economic crisis of the early nineties, the United States was the first to enter into a decline, but was also the first to emerge from that decline. In 1993 its rate of economic growth was 3 percent, while Europe and Japan had negative growth of 0.5 percent and 0.3 percent respectively. It is projected that in 1994 the U.S. economy will grow 3.6 percent, while Europe and Japan will, respectively, grow 1.6 percent and 0.75 percent. The U.S. is still the world's largest exporter. In recent years, its growth in foreign trade exports has consistently maintained a healthy momentum. Since 1985, U.S. exports have grown 9 percent annually, higher than the 6.6 percent for Japan and the 4.2 percent for Germany, the largest exporter in Europe. In terms of employment, the current U.S. unemployment rate is 6.1 percent, in the

European Union it has reached 11.7 percent, and in Japan, although the rate is only 3 percent, this is the highest level in 40 years. Unlike the United States and Europe, Japan makes use of a system of lifetime employment, so that when economic recession hits, companies do not lay off workers but rather reduce wage costs by cutting overtime and bonuses, which account for one-fourth of wage expenditures. Hence some economists estimate that Japan's actual rate of unemployment is somewhere closer to 10 percent.

**(2) The United States outperforms Europe and Japan in overall technological capability.** In terms of the proportion of GDP given over to research and development costs, in 1991 the figure for the United States was 2.78%, for Japan it was 2.86%, and for the 12 nations in the European Economic Community it was 2.02% (among which Germany, with 2.58%, was the strongest in technological capability). Looking at the percentages, the disparities appear insignificant, but in terms of absolute numbers the differences are quite striking. From 1989 to 1992, U.S. annual average investment in scientific research was \$157.4 billion, while in Japan and Germany investment was \$94.4 billion and 43.6 billion, respectively. Looking at numbers of technological personnel, the United States has 949,300 people in technology, Japan 518,900, and Germany only 176,400. The United States leads not just numerically, but also has a system unmatched by other nations for attracting the world's top-flight talent. According to statistics, foreign scientists and engineers comprise about 17% percent of U.S. professional technological personnel, and they have made a contribution to advancing the development of the U.S. technology enterprise. As for numbers of publications and patents, one-third of the world's technological publications are put out by U.S. technological personnel, more than any other country in the world. Regarding patents, during the 10-year period from 1982 to 1991, of the 780,000 registered patents worldwide, 220,000 were from the United States, 180,000 from Japan, and 140,000 from Germany. Since 1987, the number of patent applications in the United States has risen 30 percent, compared to an 8 percent increase in Japan, and no increase at all in Western Europe. The statistics given above cannot provide a comprehensive picture of a nation's technological status; they can, however, serve as key indices for ascertaining a nation's technological capability. From these statistics we can compare the technological capabilities of the U.S., Europe, and Japan, and see how Europe has fallen far behind the United States and Japan. Even Germany, Europe's leader in technology, lags some distance behind the United States and Japan. Although weaker than Japan in a few respects, the status of the United States as the world leader in technology remains unchallenged.

**(3) U.S. modifications to industrial structure are superior to those of Europe and Japan.** The U.S. modification of industrial structure took place earlier than Europe's. The service industry currently accounts for a larger and larger portion of the U.S. economy, with 70

of output value of the U.S. GNP coming from the service sector. U.S. superiority is quite prominent in the high technology and service sectors. Looking at the computer industry, the U.S. in 1993 held a 70 percent share in the world market for personal computers, and a three-quarters share in the market for computer software. The U.S. also occupies an advantageous position regarding the "information super-highway," a technologically rich engineering project in which it has at least a two-and-one-half-year headstart over Europe. Not to be overlooked is how the United States, while enhancing its preeminence in the high-tech and service sectors, has also partly reversed its decline in the automobile, steel, semiconductor, and other traditional manufacturing industries. In 1992 the United States took back the lead position in automobile production that it had lost to Japan 10 years previously. It recovered as well the lead in semiconductor chips and chip manufacturing capability.

**(4) The United States ranks first in the world in competitiveness.** According to the "World Competitiveness Report, 1994" announced by the International Institute for Management Development, Lausanne, and World Economic Forum, Geneva, the United States has already surpassed the eight-consecutive-year champion Japan to become first in world competitiveness, leaving Japan in third place, and Germany in fifth. These rankings are based on eight criteria: domestic economic strength, international economic activities, government economic guidance, financial markets and service quality, basic infrastructure, business management, technological standards, and human character. Clearly, these are eight areas crucial to the future economic growth of a country.

## 2. Dealing with the U.S. Economic Recovery

That the U.S. economy is heading for recovery and steadily gaining competitiveness are facts beyond dispute. As for how long the recovery will last, whether it fades away or continues its resurgence, is a question worthy of investigation. There is a need, then, to take a look back at what is behind the U.S. economic recovery. The reasons behind the U.S. economic recovery are many. Aside from the already well-known effects of cyclical factors and technical advancement, there are also the consequences of the economic modifications the United States has been carrying out for many years.

**(1) From a macro-level viewpoint, the Clinton Administration's economic policies and strategic modifications have begun to take hold.** Since he took office, Clinton has made the revival of the U.S. economy his primary strategic objective. Starting with reduction of that most serious economic malady, the financial deficit, he has achieved in recent years a gradual reduction in the huge U.S. deficit, which has in turn stimulated economic growth by creating a drop in long-term interest rates. In 1993, Clinton also pushed for passage in Congress of a plan to reduce the deficit by \$500 billion in five years. Overseas, Clinton has placed emphasis on expanding economic and trade relations, implementing a series of

strategies aimed at stimulating growth by promoting exports and enlarging overseas demand. The formulation of national strategy for export promotion, the agreement reached at the Paraguay round of the General Agreement on Tariffs and Trade (GATT), the establishment of the North American Free Trade Agreement, and the unofficial summit of the Asia-Pacific Economic Cooperation organization are all different ways of creating more opportunities for expanding U.S. exports.

**(2) From a micro-level viewpoint, notable achievements have been made in the restructuring of U.S. business.** (med) Serious reflection on the earlier economic recession has led U.S. enterprises to launch on a large scale business restructurings directed at raising labor productivity. On one hand they are investing much more heavily in equipment, especially in automation; on the other hand, they are improving management by simplifying administrative structures, cutting back on personnel, lowering wages, and raising efficiency. In the nineties, U.S. labor productivity has gone up at an annual rate of 2.5 percent, more than doubling the average rate of increase of the seventies and eighties. The increase in labor productivity has given massive impetus to U.S. economic development. In addition, among the United States, Europe, and Japan, the United States has the lowest labor costs in practically every industry.

**(3) The U.S. civil economy entered a period of major development with the close of the Cold War.** Due to the demands of the arms race during the bipolar standoff, the United States devoted huge quantities of manpower, material, and finances to production in military industries. In 1986, national defense expenditures accounted for 6.5 percent of GDP. Although government military purchasing maintained, to some degree, a relatively long period of prosperity, fundamentally speaking the civil industry suffered. With the end of the Cold War, the government can, on the one hand, make massive reductions in defense spending, thereby decreasing its financial burdens and improving the macroeconomic environment. It is estimated that U.S. defense expenditures in 1997 will be down to 3.7 percent of GDP. On the other hand, the government has its hands free to vigorously develop civil industry, thereby strengthening the competitive status of these sectors of U.S. industry with respect to Europe and Japan, and giving itself another advantage in the furthering of U.S. economic development. Due to the presence of these long-term factors stimulating U.S. economic development, the U.S. economy will enter a phase of self-sustaining development. The U.S. economy, however, is by no means in perfect condition; the accumulation and persistence of problems from past years cannot be fundamentally dealt with over the short term. The following problems will hamper future U.S. development:

**(1) The financial deficit.** The massive U.S. financial deficit, a disastrous result of consecutive administrations' implementation of Keynesian deficit finance policy, has become a burden that the U.S. Government

can neither support nor shake off. In 1993, the U.S. financial deficit was still \$255 billion, and in 1994 it is projected to be \$230 billion. As a result of the Clinton Administration's program to raise taxes while reducing spending, and to make large reductions in defense spending, the U.S. financial deficit in 1995 will drop to \$170 billion. Due, however, to the Clinton Administration's putting into effect of the health care reform program, the financial deficit will creep up in 1996. The U.S. Government is at the end of its tether when it comes to the gigantic financial deficit.

(2) High debt, low savings. The U.S. problem with high levels of debt appears not only as national debt, but in equally serious proportions as business debt and household debt. In 1993, business debt was equal to 60 percent of GDP. Household debt has grown from 75 percent of personal disposable income in 1980 to 94 percent in 1990. The heavy burden of debt seriously influences business investment and personal consumption, two crucial determinants of economic growth. In the current economic recovery, growth in business investment has accounted for about one-third of economic increase, while personal consumption has accounted for two-thirds of overall U.S. economic activity. The U.S. rate of private savings, which has always been relatively low, is now less than 4 percent, its lowest level in 10 years. The low savings rate means inadequate sources of capital for investment expansion and insufficient demand in personal consumption. To make up for the shortage of capital, the United States must raise interest rates so as to acquire capital from abroad; high interest rates, however, will impede economic growth. The problems hampering U.S. economic development mentioned above may have moderated somewhat in the last several years, but cannot be eliminated over the short term. If these problems are not resolved, the U.S. economy will have a hard time achieving robust, vigorous growth. Based on this, many economists predict that the United States will maintain steady and moderate growth in the near future. The Clinton Administration's Office of Management and Budget has come up with its forecast for the U.S. economy at the close of this century: in 1995, the U.S. economy will grow at a rate of 2.8 percent; in 1996 this will drop to 2.6 percent; from then on a uniform 2.5 percent rate of annual growth will be maintained until the end of the century.

#### **A Look at the Difficulties Faced by Europe and Japan**

Because of asynchronous cycles, as the U.S. economy tends toward stable growth, the European and Japanese economies are only just getting out of their recessions, and in the process their economies are showing signs of very serious structural problems. This situation differs from that of the United States despite the fact that the United States has similar structural problems, the most difficult period of its modifications to domestic economic structure has passed; meanwhile, Europe and Japan are in the middle of the painful process of structural modification and economic transformation. The

Western European economy had fully recovered in 1994. Great Britain was the first to emerge from recession. In 1994 its rate of economic growth was about 2.75 percent. Germany has just shaken off recession as well, and estimates put its rate of economic growth at 1.8 percent. The rate of growth for the European Union as a whole is 1.6 percent, which when compared to the higher than 3 percent rate of growth in the United States, makes for an apparently rather feeble recovery. The origins of this are in the serious structural problems that Western Europe is now facing. Unemployment is the most vexing problem Western Europe now confronts. The ranks of the unemployed in Western Europe number over 18 million, with the unemployment rate in some countries exceeding 20 percent. A variety of factors lie behind the serious unemployment in Western Europe: First, the past several years of promotion of advanced technology and modification to the industrial structure have led to the obsolescence of scores of low-tech workers; second, an overly rigidified labor market in Western Europe, along with excessively rigid laws and strict regulations on wages, have kept business owners from hiring more workers, creating an extremely unfavorable situation for increasing employment; third, the prevalence of policies providing high social benefits has contributed to the buildup of large numbers of idle and indolent persons, leading to a numerical increase in the unemployed. It is predicted that no fundamental improvement is possible over the short term, and that most European governments will experience continuing trouble in this area. Another thorny problem they face is that of high social benefits. This seriously affects the ability of governments and businesses to reinvest. European Union nations already apply an average of 27 percent of their GDP toward the requirements of social welfare expenditures for retirement insurance and other expenses. The expense of high social benefits has restricted economic development of Western European countries by adding to their financial burdens. In 1993, the financial deficit of the 12 nations in the European Union was equal to 6.4 percent of their GDP, greatly exceeding the standard of 3 percent set by the Maastricht treaty. High social benefits have also led to high product costs, which in turn have further weakened the competitiveness of Western European products on the world market. Western European labor costs are higher than those for the U.S. and Japan. Hourly labor costs \$25 for Germany, \$18 for Japan, and only \$15 in the U.S. To give an idea of the poor competitiveness of Western European products, labor costs in proportion to product costs are 44 percent for Germany, 28 percent for the U.S., and 24 percent for Japan. As Western Europe makes the transition to a grayer society, resistance to cutting social benefits expenditures will grow. Moreover, because the system of generous social benefits has been in place for 50 years, it cannot be changed overnight. Another important consideration preventing undue optimism regarding the future of the Western European economy is the sluggish modification of the Western European economic structure. Its economy relies excessively on



traditional industry, the commitment to the development of high-tech industries is low, and an emphasis on basic scientific research without application to practical productivity has left Western Europe in a superior position at present only in chemical products, automobiles, and electrical generating equipment. Even though future economic competitiveness will for the most part be in the arena of high technology, Europe has fallen far behind in many high-tech products, including computer software and hardware, data networks, and multimedia telephone and entertainment devices. Lagging in these areas means greater losses later on. Naturally, we should also look to positive factors in the Western European economy. The European Union is currently the world's most unified economic bloc. The establishment of Europe as a unified market has already tightly integrated Western European nations, and to a certain extent has eliminated losses due to economic partitioning. When in 1995 the European Union takes on some northern and central European countries as members, its internal market capacity will expand dramatically. Moreover, the European Union has its eyes set on Europe as a whole. The expansion of the European Union will undoubtedly create more opportunities for its economic development. Germany, a major economic player in Europe, has in the last several years had its economic development burdened with the absorption of East Germany. Due to over four years of painstaking effort on the part of the German Government, its eastern portion has experienced a marked turnaround, and the positive effects of the German unification have begun to make themselves apparent. With the advancement of modification to the economic structure, especially given the stimulus from the improvement in the German economy, the Western European economy as a whole is bound to move ahead. Japan is just emerging from recession and its economy began to show weak growth in 1994. Although the bubble economy has collapsed, its passive effects on the Japanese economy are deep and far-reaching. The Japanese economy is now in a phase of remedying the aftereffects of the bubble economy, which primarily entails adjusting the balance sheets for the surplus inventories and for the business and financial organizational structures that were created during the bubble economy period. The overheated economic activity of the bubble economy period led to over-investment in business equipment and overstocks of durable household consumer goods, which seriously restricted Japanese economic growth by directly precipitating the current shortage of investment in business equipment and lack of personal consumer demand. During the bubble economy period, prices for stock and real estate soared due to a large drop in banking interest rates. Companies then used stock and real estate as security to obtain a massive volume of loans. When the bubble burst, company assets depreciated greatly, adding to the companies' debt burden such that they had to consolidate their debt, which restricted their disbursements. Moreover, the banking system, having learned a lesson from the bubble economy, grew

very cautious when offering business loans, and consolidating the debt created by excessive lending, both moves that will inhibit the regular progression of economic activities. Another handicap for Japanese economic development is its longstanding system of lifelong employment. Although there are both pros and cons to this system, its problems are now making themselves abundantly clear. Difficulty in laying off employees and in circulating talent has put a heavy burden on business and reduced production efficiency. The Japanese yen has steadily risen in value in recent years, repeatedly setting new records in its exchange rate with the dollar, and putting Japanese exports in a perilous situation. The Japanese economy is facing the tremendously difficult task of transforming itself from an export-oriented to a domestically oriented economy. The appreciation of the Japanese yen has also accelerated the flight overseas of Japanese industry, which helps neither that nation's industrial development nor its employment situation. These are all fundamental problems in the Japanese economy that cannot be easily overcome in the short term. The changeability of the Japanese political situation and its uncertain prospects further add to the anxiety concerning the stability and continuity of Japanese Government economic policy. It should be noted, however, that once the aftereffects of the bubble economy are done away with and industrial transformation takes hold, the Japanese economy may show rather significant growth.

Upon analyzing the economic situations of the United States, Europe, and Japan, the basic assessment of this report is that prior to the end of the century, the Western economies will find themselves in a period of relatively stable growth, with the United States leading the other industrialized countries in its economic recovery and holding a dominant position in terms of overall economic capability. This does not, however, imply that the European and Japanese economies will forever trail behind the United States, as the trend toward multipolarity in world economics will not as a result change. Because of the recovery of the U.S. economy and its growing capability for self-sustaining development, the United States will continue to occupy a position of initiative in international affairs. Internal economic shortcomings, however, have greatly diminished its ability to take interventionary action in international affairs. The resolution of major issues still requires cooperative, joint action among major powers. In future economic competition among the United States, Europe, and Japan, the United States will strive to maintain its position of leadership, Europe and Japan will work to better their predicaments, and economic competition among them all will further intensify. The competition will express itself primarily in the following ways: a struggle to attain a commanding position in the field of high technology; greater pressure to erect regional economic blocs; and a struggle for markets in newly developing countries. China, because of its high-speed economic growth and huge market potential, will become one of the key markets in this struggle.

## United States & Canada

### PLA's Xiong Meets Perry, U.S. Officials

OW1504051195 Beijing XINHUA Domestic Service in Chinese 1104 GMT 28 Mar 95

[By reporter Ying Qian (2019 6197)]

[FBIS Translated Text] Washington, 28 Mar (XINHUA)— Lt. Gen. Xiong Guangkai, assistant to the chief of general staff of the Chinese People's Liberation Army (PLA), met with U.S. Secretary of Defense Perry at the Pentagon on the morning of 28 March.

Perry indicated that his meeting with Xiong Guangkai would be very conducive to promoting mutual understanding between the U.S. and Chinese Armed Forces. Participating in the meeting were John Shalikashvili, chairman of the Joint Chiefs of Staff; Walter Slocumbe, deputy under secretary of defense; Edward Warner and Joseph Nye, assistants to the secretary of defense; and other high-ranking officials.

In the afternoon, Xiong Guangkai and his party also met with Rod McNamara [name as transliterated], assistant secretary of state, and other high-ranking officials of the State Department. The two sides exchanged views on questions of common interest.

On the evening of 28 March, Adm. Owens, vice chairman of the Joint Chiefs of Staff, feted Xiong Guangkai and his party.

Warner, assistant to the U.S. secretary of defense, visited China last December, during which he briefed leaders of the Chinese Armed Forces on the U.S. defense strategy and its development plan. This time, Xiong Guangkai paid a return visit, arriving in Washington on 26 March.

### Wu Bangguo Meets With U.S. Nuclear Official

OW1404131095 Beijing XINHUA in English 0827 GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)— Chinese Vice Premier Wu Bangguo met with Ivan Selin, chairman of the US Nuclear Regulatory Commission (NRC), and his party here this afternoon.

The two sides exchanged views on nuclear safety and other issues of common interest.

Selin is here on a visit as guest of the National Nuclear Safety Administration (NNSA) of China.

This morning, NNSA Director General Huang Qitao discussed with Selin ways to enhance further cooperation between the two sides.

### Vice Foreign Minister Liu Meets U.S. Officials

OW1504011495 Beijing XINHUA in English 0101 GMT 15 Apr 95

[FBIS Transcribed Text] Washington, April 14 (XINHUA)— Chinese Vice Minister of Foreign Affairs Liu

Huaqiu met with Anthony Lake, assistant to the president for national security affairs, at the White House Thursday [13 April].

Sino-U.S. relations were important to both sides, Lake said. While attaching importance to resolving existing differences, the two sides should not lose sight of their common strategic interests.

The two countries should continue to expand cooperation in various areas and in world affairs, he said.

The United States and China have much in common and the United States is willing to set up a relationship of long-term cooperation with China, he said.

The Chinese vice minister also met U.S. Deputy Secretary of State Strobe Talbott later on Thursday.

During the meeting, Talbott expressed satisfaction over the Sino-U.S. vice foreign ministerial political consultations held earlier this week and he expressed optimism about the development of bilateral relations.

Talbott expressed the hope for increased consultations and cooperation in various fields between the two nations. He also hoped that the forthcoming meeting between the U.S. and Chinese foreign ministers could make substantial achievements.

Liu said that China attaches importance to the development of its relations with the United States and hopes the two sides would make joint efforts to continue to promote and develop bilateral relations on the basis of the three joint communiques between the two countries.

## Northeast Asia

### Further Reportage on Qiao's Japan, ROK Visit

#### Visits Sony, Toyota Facilities

OW1404141795 Beijing XINHUA in English 1356 GMT 14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 (XINHUA)— China's top legislator Qiao Shi today visited a Sony plant and the headquarters of Toyota Motor Corporation in Nagoya, central Japan.

Qiao, Chairman of the Standing Committee of China's National People's Congress (NPC), was accorded a red-carpet welcome when he arrived at the Sony plant accompanied by its Vice-Chairman Tsunao Hashimoto.

Qiao showed particular interest in the high-definition TV (HDTV), the data display monitor (DDM) and the graphic display monitor (GDM), as he toured a Sony's high-vision TV sets production line using the new technology "Trinitron".

After the visit to a Toyota car plant, Secretary-General of the NPC Standing Committee Cao Zhi, said that China hopes Toyota will be more actively involved in its automobile industry.

Toyota has a great potential and bright future for cooperation with China as long as it operates in line with China's industrial policies, Cao said.

### **Mourns Earthquake Victims**

OW1504125095 Beijing XINHUA in English 1236  
GMT 15 Apr 95

[FBIS Transcribed Text] Tokyo, April 15 (XINHUA)—China's top legislator Qiao Shi today extended deep mourning and sincere sympathy to the Hanshin Earthquake victims in the Kansai Region on behalf of the Chinese government.

Qiao, Chairman of the National People's Congress Standing Committee, expressed the feeling at a gathering in his honor in Osaka.

Qiao also expressed his gratitude to the Japanese Government for the timely support to the Overseas Chinese and Chinese students in Japan after the Hanshin Great Earthquake took place.

"We sincerely hope that the disaster-stricken people will rebuild their homes and resume the normal life as soon as possible," Qiao added.

Osaka prefecture governor Nakagawa Kazuo thanked the Chinese government for its timely aid after the quake.

Qiao said that Kansai is of vital importance in developing Sino-Japanese relations, as it is the first Japanese region to conduct exchanges and cooperation with the People's Republic of China, particularly in establishing trade and economic links and sister-city ties.

Qiao said China's development would not only provide Japan and other countries with better business opportunities in China but also help maintain the world peace.

Before the gathering, Qiao met with representatives of overseas Chinese and Chinese students in the Kansai region shortly after he arrived in Osaka from Nagoya at noon.

### **Discusses Economic Growth**

OW1604054895 Beijing XINHUA in English 0521  
GMT 16 Apr 95

[FBIS Transcribed Text] Tokyo, April 16 (XINHUA)—China's sustained economic growth and increasingly close integration with the global economy would serve as a stimulant to the economic prosperity of the region and the world as a whole, China's top legislator Qiao Shi said in Osaka today.

China's rapid economic development would not cause even the slightest harm to any other country in the Asia-Pacific region, Qiao told a gathering jointly sponsored by economic organizations in the Kansai region, central Japan.

A peaceful international environment is indispensable to China's economic boost, which needs help and cooperation from developed countries, said Qiao, chairman of the National People's Congress Standing Committee. He added that the cooperation would undoubtedly benefit all involved.

China and Japan, which are neighboring countries and economically supplementary, could take advantage of "the similarities in their climates, their favorable geographical positions and the unity and support of the people" to develop cooperation in various fields.

And the Kansai region, which had helped pioneer Sino-Japanese cooperation, could give full play to the advantages in pushing bilateral economic cooperation to a new high, Qiao said.

Welcoming Qiao on behalf of the co-sponsors, Usuyi Takayuki, vice-president of the Kansai Committee for Economic Development, praised the Chinese legislature for its role in pursuing the policies of economic reform and opening up to the outside world. The outstanding achievements made thanks to the policies are an inspiration to all Asian countries, he said.

The Kansai business people are fully ready to cooperate with China, particularly with Shanghai, China's biggest city, he stressed.

### **Arrives in ROK**

OW1704024495 Beijing XINHUA in English 0235  
GMT 17 Apr 95

[FBIS Transcribed Text] Seoul, April 17 (XINHUA)—Qiao Shi, Chairman of the Standing Committee of the National People's Congress (NPC) of China, arrived here Monday [17 Monday] morning for a six-day official goodwill visit.

His visit, which is at the invitation of Speaker of South Korea's National Assembly, Hwang Nak-chu, is the first to South Korea by a Chinese NPC chairman since the two countries established diplomatic ties in August 1992.

### **Further on Arrival**

OW1704052495 Beijing XINHUA in English 0500  
GMT 17 Apr 95

[FBIS Transcribed Text] Seoul, April 17 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC) of China, arrived here this morning for a six-day official goodwill visit at the invitation of South Korea's National Assembly Speaker Hwang Nak-chu.

This is the first visit to South Korea by a Chinese NPC chairman since the two countries established diplomatic relations in August 1992.

During his visit, Qiao will call on South Korean President Kim Yong-sam, meet with National Assembly



Speaker Hwang Nak-chu and Prime Minister Yi Hong-ku and tour some well-known industrial facilities.

In a written speech upon arrival, Qiao said that the relations between China and South Korea, which have a long history of friendly exchanges, have developed quickly since the establishment of diplomatic ties between the two countries. Exchange of visits between the Chinese NPC and the South Korean National Assembly has also started, he said.

Maintaining friendly relations between China and South Korea not only conforms to the common interest and aspirations of the two countries but also is conducive to peace and stability on the Korean Peninsula as well as in the region, he pointed out.

Qiao expressed the confidence that his current visit will further enhance understanding between the peoples of the two countries and push forward the friendly cooperation between the Chinese NPC and the South Korean National Assembly and the relations between the two countries.

#### **Wang Hanbin Meets With ROK Delegation**

OW1404123995 Beijing XINHUA in English 0856 GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Wang Hanbin, vice-chairman of China's National People's Congress (NPC) Standing Committee, met here today with a delegation of the Supreme Public Procurator's Office from the Republic of Korea (ROK).

The delegation, led by the ROK Public Procurator-General Kim To-on, is here on a visit at the invitation of China's Supreme People's Procuratorate.

#### **DPRK's Chang Chol Receives Government Delegation**

SK1604042995 Beijing China Radio International in Korean 1100 GMT 14 Apr 95

[FBIS Translated Text] Chang Chol, vice premier of the DPRK Administration Council and minister of culture and art, received a delegation of the PRC Government cultural delegation led by Zhang Hualim, an assistant director of the Ministry of Culture, in Pyongyang on 12 April. Vice Premier Chang Chol warmly welcomed the PRC Government cultural delegation's visit to the DPRK at a time when the April Spring Friendship Art Festival is taking place in Pyongyang.

The PRC Government cultural delegation arrived in Pyongyang on 7 April and participated in the opening ceremony of the Pyongyang Art Festival on 8 April.

#### **Near East & South Asia**

#### **Further Reportage on Wu's March North African Visit**

#### **Meets Moroccan Prime Minister**

OW1404131995 Beijing XINHUA Domestic Service in Chinese 0713 GMT 29 Mar 95

[By reporter Ge Canglin (5514 0221 7792)]

[FBIS Translated Text] Rabat, 28 Mar (XINHUA)—Wu Yi, Chinese minister of foreign trade and economic cooperation met today with Abdellatif Filali, Moroccan prime minister and minister of state for foreign affairs and cooperation.

Filali said during the meeting: Moroccan-Chinese relations are very good. The investment protection agreement and economic and trade agreement signed between the two countries recently will surely promote the bilateral friendly and cooperative relations in the economic, trade and other fields. He said that Morocco and China should further strengthen their economic and trade relations by promoting more exchange visits by each other's entrepreneurs, adding that Morocco welcomes visits by more Chinese economic and trade groups.

Wu Yi thanked the Moroccan Government for supporting China's bid for reentry into GATT. She said that her visit to Morocco will promote Sino-Moroccan economic relations, trade, and technological cooperation, and the results of the mixed committee meetings will raise bilateral friendly and cooperative relations to a higher level. During the meeting, Filali asked Wu Yi to convey his regards to Premier Li Peng and his invitation for Li to visit Morocco at a time convenient to Li.

After the meeting, Wu Yi and Moroccan Foreign Trade Minister Alami signed the minutes of the fourth talks of the Sino-Moroccan Mixed Committee, the Sino-Moroccan Economic and Trade Agreement, and the exchange of notes on China's provision of 3 million yuan renminbi to Morocco to be used in a technological cooperation project on growing mulberry and breeding silkworms.

On the same day, Wu Yi separately met with (Azucal) [name as transliterated], financial and economic adviser to the king of Morocco; Abouyoub, Minister of Agriculture and Agricultural Products; and Guerraoui, Minister of Energy and Mines.

#### **Visit 'Complete Success'**

OW1404140095 Beijing XINHUA Domestic Service in Chinese 0630 GMT 31 Mar 95

[By reporter Zhu Ge Cang Lin 6175 5514 0021 7792]

[FBIS Translated Text] Rabat, 30 March (XINHUA)—Wu Yi, visiting PRC minister of foreign trade and economic cooperation, said that she had achieved the goals of increasing understanding, deepening friendship, and promoting bilateral economic and trade cooperation through her friendly visit to Tunisia, Egypt, and Morocco, and that her visit to those countries was a complete success.

During her visit to the three north African nations, Wu Yi met with Egyptian President Husni Mubarak, Tunisian Prime Minister Hamed Karoui, and Moroccan Prime Minister Abdellatif Filali, respectively. She also exchanged views and reached a consensus with several

ministers from those three countries on developing further forms of bilateral cooperation.

Wu Yi said she co-chaired mixed committee meetings for bilateral economic and trade cooperation with the three countries' foreign ministers and signed minutes on the talks and economic and trade agreements on ways to further expand economic and trade cooperation with those countries she visited.

Wu Yi expressed the belief that China's economic and trade cooperation with those three nations will surely further develop and reach new heights if all parties concerned make joint efforts, conscientiously implement the relevant agreements signed during the visit, and increase contacts and exchanges.

Wu Yi and her party are scheduled to leave Rabat on 31 March.

#### **Nepalese Prime Minister Prepares for Visit**

##### **Pre-Visit Interview Given**

OW1504033295 Beijing XINHUA in English 0307  
GMT 15 Apr 95

[By Wu Xiangxin]

[FBIS Transcribed Text] Kathmandu, April 15 (XINHUA)—Nepal and China, as developing countries and good neighbors, can play a vital role in the region so as to make further contributions to the maintenance of peace and stability and economic development.

In an interview with Chinese correspondents on the eve of his official visit to China, Nepali Prime Minister Man Mohan Akhikari said that peace and stability are most essential to economic development, stressing that both Nepal and China would emphasize the principles of Panchsheel.

"For economic development, regional cooperation, free and fair deal on trade and commerce and industry on the basis of equality and mutual benefit should be emphasized," said the prime minister.

On the forthcoming visit to China, the prime minister said that free and frank talks on any subject of common interest would be held with Chinese leaders, adding that major areas of discussion would be on trade, commerce, tourism, transportation, education and culture.

The prime minister expressed his belief that the future of Sino-Nepalese relations is very bright and neighborly relations between the two countries would continue to go up.

Prime Minister Man Mohan Akhikari will pay an official goodwill visit to China from April 17 to 21 at the invitation of Chinese Premier Li Peng.

It is the first time for the Nepali prime minister to visit China after the Communist Party of Nepal (UML) came to power through the mid-poll held last November.

#### **Arrives in Beijing**

OW1704045095 Beijing XINHUA in English 0426  
GMT 17 Apr 95

[FBIS Transcribed Text] Beijing, April 17 (XINHUA)—Nepalese Prime Minister Man Mohan Adhikari arrived here this morning for an official good-will visit to China at the invitation of Chinese Premier Li Peng.

Accompanying the prime minister on the visit are his wife Sadhana Adhikari, Minister of Finance Bharat Mohan Adhikari, Minister of Public Works and Transport Ashok Kumar Rai and some business people.

The Nepalese Prime Minister and his party were greeted at the airport by Wang Senhao, head of the Chinese Government Reception Committee and minister of Coal Industry, Wang Yingfan, assistant minister of Foreign Affairs, Shao Jiongchu, Chinese ambassador to Nepal, and his wife Gong Suzhi.

Also present at the airport was Nepalese Ambassador to China T.L. Amatya.

Chinese Premier Li Peng is to host a ceremony welcoming the Nepalese Prime Minister and hold talks with him Tuesday [18 April].

#### **West Europe**

##### **Qian Qichen Leaves Iceland for New York**

OW1504225395 Beijing XINHUA in English 1834  
GMT 15 Apr 95

[FBIS Transcribed Text] Reykjavik, April 15 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen left here this afternoon for New York after concluding his four-day visit to Iceland.

During his stay here, Qian held talks respectively with Icelandic President Vigdis Finnbogadottir, Prime Minister David Oddson and Foreign Minister Baldvin Hannibalsson on bilateral matters as well as international issues of common interest.

Officials from both sides said the visit was very successful and will surely be conducive to the further development of not only the political relations, but also cooperation in economic, scientific and cultural fields between the two countries.

Qian's visit took place at a time when Sino-Icelandic relations have greatly advanced which were described as "never so good" following a series of visits to China by high-ranking Icelandic officials last year.

And also last year, Iceland opened an embassy in Beijing, the first and only Icelandic embassy in Asia.

This was a major step the Icelandic government has taken to further enhance its relations with China which occupies a very important place in Iceland's foreign policy, according to Prime Minister Oddson.

Qian, the highest ranking Chinese official ever to visit Iceland since the establishment of diplomatic relations between the two countries in 1971, came here on Wednesday following his visits to Latvia, Moldova, the Republic of Slovakia, Bulgaria and Yugoslavia.

During his European tour which started on March 29, Qian held wide contacts with the leaders of those countries, with a purpose of deepening mutual understanding and trust and promoting friendship and cooperation.

The tour has once again provided an evidence that China attaches great importance not only to its relations with major powers, but also small and medium-sized countries in Europe.

### Further Reportage on Portuguese President's Visit

#### Visits Xian

OW1404145295 Beijing XINHUA in English 1437  
GMT 14 Apr 95

[FBIS Transcribed Text] Xian, April 14 (XINHUA)—Portuguese President Mario Soares today visited Xian, an ancient city in northwest China.

While visiting the Shaanxi Historical Museum this morning, Soares was deeply impressed by what he saw. He said that it was one of the best museums he has seen in the world, with its incredibly priceless cultural relics.

In the afternoon, the president and his wife went to see the world famous Terra-Cotta Warriors Museum of the first emperor of the Qin Dynasty (211-207 B.C.) and bought a imitation warrior figure for himself.

"This is an unforgettable museum of historical relics," the president wrote for the museum. "It not only represents the thousands of years in the Chinese history, but also belongs to the cultural heritage of the whole mankind."

Chen Bangzhu, Minister of Internal Trade and Chairman of the Chinese Government Reception Committee, Governor of Macao, Vice-Governor Fan Xiaomei of Shaanxi Province accompanied the president during the visit.

The president arrived in Xian yesterday afternoon from Beijing. The Portuguese guests will leave here for Shanghai.

#### Visits Shanghai

OW1504134495 Beijing XINHUA in English 1318  
GMT 15 Apr 95

[FBIS Transcribed Text] Shanghai, April 15 (XINHUA)—Shanghai Mayor Xu Kuangdi expressed his hope here today that more Portuguese entrepreneurs would participate in the economic construction of Shanghai.

Xu made the remark during his meeting with visiting Portuguese President Mario Soares.

Soares arrived in Shanghai from Xian this noon accompanied by Chen Bangzhu, minister of Internal Trade and chairman of the Chinese Government Reception Committee.

This afternoon, the president visited the Shanghai Historical Museum.

Soares also attended the friendship city signing ceremony between Shanghai and Porto, Portuguese second largest city.

Porto is so far the 29th foreign city to establish friendship ties with Shanghai.

According to the agreement, the two cities will start various exchanges and cooperation in economy, trade, science and technology, culture, education, sports, and health on the principle of equality and mutual benefit.

#### Concludes PRC Visit

OW1704073395 Beijing XINHUA in English 0706  
GMT 17 Apr 95

[FBIS Transcribed Text] Shanghai, April 17 (XINHUA)—Portuguese President Mario Soares left here by special plane this morning after paying a state visit to China.

President Soares and his entourage were seen off at the airport by Chen Bangzhu, chairman of the Chinese Government Reception Committee and minister of Internal Trade, and Hua Jianmin, vice-mayor of the Shanghai Municipality.

During their stay here, the Portuguese guests visited the Jinqiao Export Processing Zone of Pudong and the Museum of history as well as places of historical interests.

### East Europe

#### Reportage on Polish Official Luczak's Visit

##### Cooperation Agreement Signed

OW1304133195 Beijing XINHUA in English 1302  
GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (XINHUA)—An agreement on cooperation in science and technology between the Chinese and Polish Governments was signed here today.

Chinese State Councillor and Minister in Charge of the State Science and Technology Commission Song Jian and visiting Deputy Chairman of the Council of Minister of Poland Aleksander Luczak inked the agreement at a signing ceremony.

Later, representatives for the Chinese and Polish sides signed a protocol on the 25th session of the Joint Commission for Scientific and Technological Cooperation between the two countries.

The 25th session of the joint commission was held here from April 7 to today. During the meeting, the two sides anchored a group of new projects concerning scientific and technological cooperation.

The projects involve many areas including agriculture, machinery, geology as well as building, coal-mining and chemical industries.

Prior to the signing ceremony, Song met with the Polish government science and technology delegation which is led by Luczak at the Great Hall of the People.

Song and Luczak had a conversation on strengthening scientific and technological cooperation and exchanges between the two sides.

### **Describes Visit as 'Very Satisfactory'**

OW1504022795 Beijing XINHUA in English 0155  
GMT 15 Apr 95

[FBIS Transcribed Text] Warsaw, XINHUA 14 (XINHUA)—Vice Prime Minister Aleksandr Luczak said here today that Poland should cooperate with China in the fields of science and technology to the fullest possible extent.

Upon his return from China, Luczak told XINHUA that Poland and China can have wide-ranging cooperation in developing science and technology.

Luczak, who also chairs the Polish Science Research Committee, described as "very satisfactory" his one-week visit to China, during which a new accord on science cooperation was signed.

Under the new accord, he said, Poland and China will cooperate in the mining, space, construction and agricultural industries.

The Polish vice premier also praised the rapid economic progress China had achieved during the 16 years of reform and opening to the outside world.



## Political & Social

### Central Media Reports Chen Yun Cremation Ceremony

#### Beijing TV Report

OW1704061895

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 0400 GMT on 17 April in its "30 Minutes of News" program carries a 4-minute announcer-read report over video on a ceremony held in Beijing on the morning of 17 April to pay respects prior to the cremation of elder statesman Chen Yun's remains. Video reception is poor; audio reception is fair.

Video opens with a still of a large photograph of Chen Yun, then zooms back to show Chen's body lying under a banner that reads: "Mourning Comrade Chen Yun With Deep Grief." Chen's photograph is seen hanging behind the banner. Video then shows Jiang Zemin stepping into the funeral room, followed by Li Peng, Li Ruihuan, and Zhu Rongji. Jiang is seen standing in front of Chen's body, flanked on his left by Li Peng and Zhu Rongji, and on his right by Li Ruihuan. According to the announcer, party and state leaders Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren, in that order, paid last respects to Chen's remains at the Beijing Hospital in the morning. Video then shows, from left to right in the first row, Rong Yiren, Liu Huaqing, Li Ruihuan, Jiang Zemin, Li Peng, Zhu Rongji, and Hu Jintao. Only some of the leaders in the second row can be seen. They are Li Lanqing, Ding Guangen, and Tian Jiyun. Yang Baibing is seen standing in the second row behind Liu Huaqing.

Video shows medium shots of the body of Chen Yun dressed in a gray Mao tunic, draped by a red party flag and surrounded by white flowers. Baskets of flowers are seen in front of Chen's remains. Video then shows Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, Rong Yiren, Bo Yibo, and Song Renqiong shaking hands with the bereaved family members. According to the announcer, other leaders who were present at the ceremony include Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Yang Baibing, Wu Bangguo, Zou Jiahua, Chen Xitong, Jiang Chunyun, Huang Ju, Wei Jianxing, Xie Fei, Wen Jiabao, Wang Hanbin, Wan Li, Song Ping, Bo Yibo, Song Renqiong, Zhang Zhen, Luo Gan, and Hong Xuezhi.

Video then shows uniformed guards carrying Chen's casket out of the room, followed by shots of a hearse and other limousines driving along a highway. According to the announcer, Li Peng, Zhu Rongji, Hu Jintao, Tian Jiyun, Zou Jiahua, Zhang Zhen, Wen Jiabao, Luo Gan, and Hong Xuezhi accompanied the bereaved family to the Babaoshan Revolutionary Cemetery for the cremation of Chen's remains. The announcer adds that Qiao Shi and Qian Qichen sent condolences from abroad.

Video concludes with long shots of the motorcade driving through the entrance of the cemetery.

#### XINHUA Domestic Report

OW1704101195 Beijing XINHUA Domestic Service in Chinese 0637 GMT 17 Apr 95

[FBIS Translated Text] Beijing, 17 Apr (XINHUA)—The remains of Comrade Chen Yun—a great proletarian revolutionary and statesman, an outstanding Marxist, one of the pioneers and founders of China's socialist economic construction, and a long-tested leader of the party and the state—was cremated in Beijing today. Leaders of the party and the state, including Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren went the Beijing Hospital this morning to bid farewell to Comrade Chen Yun.

A portrait of the deceased Comrade Chen Yun was hung in the funeral service parlor. A horizontal scroll decorated with a black crape reads: "With Deep Grief, We Mourn Comrade Chen Yun." Among fresh flowers and green cypress branches silently lay the remains of Comrade Chen Yun, which were covered with a CPC flag. A flower basket dedicated by Comrade Chen Yun's wife, Yu Ruomu, and his relatives was put in front of his remains. The ribbon on the flower basket reads: "We Cherish the Memory of You Forever."

At 0830, Comrades Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren slowly entered the parlor to mournful music. They made three deep bows and shook hands with Comrade Chen Yun's wife, Yu Ruomu, and his relatives to express their sincere condolences. Then, eight PLA honor guards lifted the coffin wherein Comrade Chen Yun's remains lay and, to the slow tempo of the mournful music, walked out of the parlor. Jiang Zemin and other comrades gazed after the departing hearse.

Also attending the farewell ceremony were Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Yang Baibing, Wu Bangguo, Zou Jiahua, Chen Xitong, Jiang Chunyun, Huang Ju, Song Renqiong, Zhang Zhen, Luo Gan, Hong Xuezhi, and other comrades.

Accompanying Comrade Chen Yun's wife, Yu Ruomu, and Chen's relatives were Li Peng, Zhu Rongji, Hu Jintao, Tian Jiyun, Zou Jiahua, Wen Jiabao, Zhang Zhen, Luo Gan, Hong Xuezhi, and other comrades who escorted Comrade Chen Yun's remains to the Babaoshan Revolutionary Cemetery for cremation.

In accordance with the wishes of Comrade Chen Yun's family members, part of his ashes were interred [mai sa 1003 2320] under a flourishing cedar in the Babaoshan Revolutionary Cemetery, and part of his ashes will be interred [an zang 1344 5520] in the Longhua Cemetery for Martyrs in Shanghai.

Comrade Chen Yun died at 90 in Beijing on 10 April.

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**Senior Leaders Pay Respects**

OW1704094595 Beijing XINHUA in English 0940  
GMT 17 Apr 95

[FBIS Transcribed Text] Beijing, April 17 (XINHUA)—The remains of Chen Yun, China's retired senior leader who died April 10, were cremated here today.

Chinese leaders Jiang Zemin, Li Peng, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren paid their last respects to the first-generation revolutionary and statesman in the Beijing Hospital this morning.

An official obituary issued last week described Chen as a great proletarian revolutionary and statesman, an outstanding Marxist, one of the pioneers and founders of China's socialist economic construction and a long-tested brilliant leader of the Chinese Communist Party and state.

Chairman of the Standing Committee of the National People's Congress Qiao Shi and Vice-Premier Qian Qichen, both abroad on official visits, have sent respective messages to mourn for Chen's death and express sympathy for Chen's family.

After the farewell ceremony, Premier Li Peng and other leaders, together with Chen's widow and relatives, escorted the remains of Chen Yun to the Babaoshan Revolutionary Cemetery.

According to the wishes of the family of the deceased, part of the ashes have been buried under a pine tree in the cemetery. The rest will be buried in a cemetery in Shanghai.

**Qiao Shi, Qian Qichen Messages**

OW1704090695 Beijing XINHUA Domestic Service in Chinese 0725 GMT 17 Apr 95

[FBIS Translated Text] Beijing, 17 Apr (XINHUA)—Upon learning of Comrade Chen Yun's passing away, Chairman [of the National People's Congress Standing Committee] Qiao Shi and Vice Premier Qian Qichen, who were visiting foreign countries, immediately sent messages of condolences and extended sincere solicitude to the bereaved family.

**Flag To Fly at Half-Mast**

OW1604020395 Beijing XINHUA in English 0117  
GMT 16 Apr 95

[FBIS Transcribed Text] Beijing, April 16 (XINHUA)—The remains of Chen Yun, a great proletarian revolutionary and statesman, an outstanding Marxist, one of the pioneers and founders of China's socialist economic construction and a long-tested brilliant leader of the party and state, who died April 10, will be cremated here tomorrow.

To mourn for the death of Chen Yun, the national flag will fly at half-mast at Tiananmen, Xinhuaamen, the

Great Hall of the People and the Ministry of Foreign Affairs in Beijing, the sites of the committees of the Communist Party of China (CPC) and governments of all provinces, autonomous regions and municipalities, all border check stations, land and sea ports, all Chinese embassies and consulates in foreign countries, and the Hong Kong and Macao branches of the XINHUA NEWS AGENCY.

**Deng's Absence at Chen Yun's Ceremony Noted**

HK1704091695 Hong Kong AFP in English 0901 GMT  
17 Apr 95

[FBIS Transcribed Text] Beijing, April 17 (AFP)—China's leaders gathered to pay homage Monday [17 April] at the funeral of an "immortal" of the revolutionary generation, but there was a glaring gap in the mourning line-up: paramount leader Deng Xiaoping. Observers said Deng's complete absence from the homage to Chen Yun—in name, as well as physically—was unprecedented for post-revolutionary China. It was bound to stoke further speculation about the health of the ageing patriarch, as well as questions about the country's political hierarchy, they added. Chen, who died on April 10 aged 90, ranked second to Deng and was also his adversary in many arenas, espousing a conservative Marxist doctrine that was suspicious of Deng's embrace of capitalist economics.

President and Communist Party Secretary-general Jiang Zemin, Prime Minister Li Peng, as well as most members of the politburo, went to Beijing Hospital where Chen's body lay before cremation at Babaoshan cemetery in west Beijing, Chinese television reported. Chen's body was covered with the Communist Party's red flag, and a single wreath of flowers from his family was placed at the foot of the coffin. The Chinese media devoted columns of text and pictures to Chen's life, and flags were flown at half-mast throughout the capital.

Television opened its midday news bulletin with the farewell ceremony, which was also attended by other members of the 'Old Guard,' including Bo Yibo, one of the four surviving 'immortals,' as the original eight-member group who founded the communist party are known. The three others are Deng, Peng Zhen and General Yang Shangkun. Deng, who will be 91 in August and has not appeared in public for more than a year, was absent from Monday's ceremonies for his old rival. Nor did the television commentators mention the names of Peng, who is 92, and Yang, 88. But analysts said health reasons alone would not explain why the names of these powerful old men were not associated with Monday's ceremonies. Deng's relatives say that he has health problems that are "normal" for someone of his great age, but insist that he is not at death's door. Yang, who lives in southern China and has been stepping up his public appearances, is known to have robust health.

"Of course, Chen was Deng's rival but you would have thought that there would have been a united show of



mourning in order to display unity," said a Western diplomat, who voiced surprise—along with Chinese observers—at what could amount to a snub. "In any case, it's bound to rekindle speculation on the future of the country, at a time when there is fighting among the various political clans and when everyone is bracing for Deng's death."

Despite these question marks at the funeral of a man officially dubbed an "exceptional Marxist and great statesman," all the country's active senior politicians showed up to express their condolences to Chen's family. The sole absentees, in this circle of power, were Qiao Shi, the president of the National People's Congress (NPC), or parliament, and Foreign Minister Qian Qichen, who are both on trips abroad.

#### **Chen Yun Profiled in National Newspapers**

OW1704035495 Beijing XINHUA in English 0346  
GMT 17 Apr 95

[FBIS Transcribed Text] Beijing, April 17 (XINHUA)—The PEOPLE'S DAILY and other national newspapers today devoted their front page to a profile of Chen Yun, a veteran Chinese leader, and one of the pioneers and founders of China's socialist economic construction.

The papers also devoted a full page to photos of Chen Yun with the late Chairman Mao Zedong and Liu Shaoqi, late chairman of the People's Republic of China, with the late Premier Zhou Enlai and retired senior leaders Peng Zhen and Yang Shangkun. He was also shown with Deng Xiaoping, late Marshal Zhu De, and Li Xiannian, late chairman of the National Committee of the Chinese People's Political Consultative Conference, with late Marshal Ye Jianying, with late Honorary President Soong Ching Ling, and with President Jiang Zemin, and Premier Li Peng.

The photos also show him inspecting the No. 2 Cotton Mill in Wuxi, Jiangsu Province, and the Baoshan Iron and Steel Company in Shanghai, as well as with a group of young pioneers.

#### **XINHUA Extols Chen's Life**

OW1604152995 Beijing XINHUA Domestic Service in Chinese 1006 GMT 16 Apr 95

["The Great and Glorious Life of Comrade Chen Yun"—XINHUA headline]

[FBIS Translated Text] Beijing, 16 Apr (XINHUA)—Comrade Chen Yun was a great proletarian revolutionary and statesman, an outstanding Marxist, one of the pioneers and founders of Chinese socialist economic construction, and a time-honored and outstanding leader of the party and state. His life was a glorious one of struggle. In his more than 70 years of revolutionary activities, he made forever indelible contributions to winning victory for China's new-democratic revolution,

New China's founding, and to the development of China's socialist construction.

Comrade Chen Yun was born on 13 June 1905 to an impoverished peasant household in Zhangliantang Town in Jiangsu's Qingfu County (currently Liantang Town of Qingfu County in Shanghai Municipality). His father died when he was two years old, his mother passed away two years later, and he was brought up by his uncle, who was a tailor. When the influence of the "May 4th Movement" in 1919 spread to his hometown, he took part in student strikes and propaganda activities. He graduated from a primary school in the winter of that year and was unable to continue study because of impoverishment. He left home for Shanghai to work as an apprentice at the Shangwu Publishing House. He was later promoted to clerk and lived on his own. At that time, he began to learn about and embrace revolutionary democratic ideology and communist ideology. In 1925, he took part in the May 30th Movement. In August of the same year, he served as chairman of the Shangwu Publishing House distribution center's committee of staff members and workers and took part in leading a general strike staged by all staff members and workers of the publishing house, which ended victoriously. He later joined the CPC. From October 1926 to March 1927, he took part in three armed uprisings organized by Shanghai workers to support the Nationalist Revolutionary Army's Northern Expedition. After the great revolution's failure in 1927, he served as Qingfu County CPC Committee member and director of the Songfu Special Committee's Organization Department, and took part in leading a local peasant armed riot and was listed as being wanted by the Kuomintang's reactionary government.

From the spring of 1929 to the spring of 1931, he served as a Shanghai-Nanjing inspector for the Jiangsu Provincial CPC Committee, Military Commission member of the Jiangsu Provincial CPC Committee, Jiangsu Provincial CPC Committee Standing Committee member and concurrently Agriculture Committee secretary, Shanghai's Zhabei District CPC Committee secretary, Shanghai's Fanan District CPC Committee secretary, Jiangnan Provincial CPC Committee Organization Department director and concurrently secretary of the committee for work of other counties, and Jiangsu Provincial CPC Committee Organization Department director and secretary. During that period, he took part in leading peasant and worker movements in Jiangsu and Shanghai. At the Third Plenary Session of the Sixth CPC Central Committee held in September 1930, he was elected to fill a vacancy as CPC Central Committee alternate member. At the Fourth Plenary Session of the Sixth CPC Central Committee held in January 1931, he was elected to fill a vacancy as CPC Central Committee member. In May that year, he was appointed secretary of the Central Special Section (an organization responsible for the security of party Central Committee organs). In September, he was designated as Interim CPC Central Committee member. In March 1932, he was appointed

Standing Committee member of the Interim CPC Central Committee and party group secretary of the All-China Federation of Trade Unions.

In January 1933, Comrade Chen Yun left Shanghai for Ruijin, the central revolutionary base, to continue taking part in the leadership work of the party Central Committee and All-China Federation of Trade Unions. While he was leading the workers' economic struggle in the Soviet area, he went deep to reality and relied on the masses to correct some erroneous "leftist" tendencies prevailing at that time. At the Fifth Plenary Session of the Sixth CPC Central Committee held in January 1934, he was elected party Central Committee Political Bureau member, Political Bureau Standing Committee member, and White Area Work Department director. In February, he was elected presidium member of the Second Central Executive Committee of the Chinese Soviet Republic. In the summer of 1934, he was in charge of producing military supplies at the central revolutionary base. During the universally renowned Long March, begun by the Chinese Workers-Peasants Red Army in mid-October 1934, Chen Yun acted as the CPC Central Committee representative in the Fifth Army Group (rear guard army group) and political commissar of the Military Commission Column. On 20 October, he led the 13th Division of the Fifth Army Group and was among the last party to cross the Yuduhe River and to march to west Hunan. When the Chinese Red Army was occupying Zunyi, a county town in Guizhou Province, in January 1935, Comrade Chen Yun was political commissar of the Zunyi garrison headquarters. He actively supported Comrade Mao Zedong's correct proposals at the Zunyi Conference. After the meeting, he wrote "An Outline Relayed by the Enlarged Meeting of the CPC Central Committee Political Bureau Held at Zunyi" and conveyed the outline to the troops. The outline is a very valuable historic document written at a juncture when the Chinese revolution was progressing from failure to victory. After the Chinese Red Army crossed the Chishui River in four attempts and entered Yunnan, he became political commissar of the river-crossing headquarters. Together with Comrade Commander Liu Bocheng, he directed the troops who successfully crossed the Jinshajiang River in the north. In accordance with the CPC Central Committee's decision and in his capacity as representative of the CPC Central Committee, he left Lingguandian, Tianquan County, Sichuan Province, passed Yaan and Chongqing, and arrived in Shanghai in June 1935 to resume and develop the party's clandestine operations there. In September 1935, he was instructed to leave Shanghai and arrived in Moscow to report to the Communist International about the strategic relocation of the CPC Central Committee and the Central Red Army to northwest China as well as the Zunyi Conference, and to work with the CPC Central Committee delegation to the Communist International. To publicize to the world for the first time about the Long March of the Chinese Workers-Peasants Red Army, he wrote a book under an alias of "Lianchen": "What I Saw and

Heard During the Army's Westward March," which was published successively in France, the Soviet Union, and China from March 1936. Later, he studied at the Lenin School and taught at the Oriental University [dong fang da xue 2639 2455 1129 1331]. After returning to China and arriving in Dihua (now Urumqi) in April 1937, he served as the CPC Central Committee representative in Xinjiang. In May 1937, he and Comrade Teng Daiyuan arrived at Xingxingxia area near the Xinjiang-Gansu borders to assist over 400 soldiers of the West Route Army in entering Dihua, and organized cadres and soldiers in studying academic subjects and military technology. He also formed the first CPC-led air unit.

Comrade Chen Yun served as director of the CPC Central Committee Organization Department from November 1937 to March 1944. During this period, he made great efforts to develop the party, including tasks on organizational development, cultivation and placement of cadres, education for party members, mass work, and clandestine operations. He successively published various important works, including "Comments on Policies Governing Cadres," "Why Did We Revoke Liu Ligong's Party Membership?" "How To Be a Communist Party Member?" "We Should Consolidate the Party and Strengthen Mass Work," "To Study Is a Communist Party Member's Responsibility," "On Several Issues Concerning Cadres' Work," "We Should Successfully Learn How To Lead," "On the Two Tendencies of the Party's Literary and Art Workers," and "We Should Discuss Truth but not Face-Saving." His works contributed significantly to party-building, both theoretically and practically. In May 1938, he concurrently served as secretary of the CPC Central Committee's Work Committee on Youths' Affairs. During the party's rectification campaign in Yanan, he was a member of the Central Comprehensive Study Committee which was led by Comrade Mao Zedong. After studying the Marxist philosophy and summarizing lessons from the Chinese revolutionary experiences, he proposed that when giving instructions on work, leaders should adopt a scientific attitude whereby "they do not simply follow what superiors or books say but act only according to reality." In March 1944, he served as vice chairman of the Northwest Financial and Economic Affairs Office and concurrently the director of its political department, taking charge of financial and economic affairs in the Shaanxi-Gansu-Ningxia border areas. Under very difficult conditions, he remarkably effectively carried out Comrade Mao Zedong's general policy on developing the economy and guaranteeing the supply. During the First Plenary Session of the Seventh CPC Central Committee in June 1945, he was reelected member of the CPC Central Committee Political Bureau. In August 1945, he served as alternate member of the CPC Central Committee Secretariat.

After the victorious end of the War of Resistance against Japan, Comrade Chen Yun arrived in Shenyang in September 1945 to serve as member of the Northeast

Bureau of the CPC Central Committee and to participate in leading the struggle to establish the Northeast China Base Area. In early November, he became secretary of the Northern Manchuria Subbureau of the CPC Central Committee and later served concurrently as political commissar of the Northern Manchuria Military Area. In a telegram to the CPC Central Committee through the Northeast Bureau at the end of November, he proposed that the basic principle for work in Manchuria then should be one of spreading the armed forces and cadres over the vast rural areas, medium and small cities, and strategic areas along feeder railroads, going all out to mobilize the masses, increasing troop strength, transforming political power, and establishing large and strong base areas in the outskirts of three large cities—Shenyang, Changchun and Harbin—and along the trunk Changchun Railroad. The correct proposal was fully affirmed by the Party Central Committee and Comrade Mao Zedong. After Comrade Mao Zedong unequivocally put forward the principle of building a strong Northeast China base area in December of the same year, Comrade Chen Yun spent a large amount of time on conducting investigation and study in Binxian, Tonghe, Fangzheng and Mulan and led the establishment of the northern Manchuria base area. In June 1946, he served as deputy secretary of the Northeast Bureau and concurrently as deputy political commissar of the Northeast Democratic United Army. In July, "The Situation and Task in Northeast China" drafted by him for the Northeast Bureau was unanimously adopted as a resolution at an enlarged meeting of the Northeast Bureau and approved by the CPC Central Committee. The resolution, based on the Central Committee's concept on building the Northeast China Base Area, further pointed out clearly and definitely the working principle that the key to success in the struggle in Northeast China lies in going deep into rural areas to mobilize peasants; and that in fighting against the enemy, emphasis should be put on wiping out the enemy to change the relative strength between the enemy and ourselves, not on control of cities or strategic areas. The resolution helped achieve a greater ideological unity among party, government and army organizations in Northeast China and helped bring about a great progress in building the base area there. In October, the Kuomintang adopted the strategy of "being offensive in south and defense in north and first in south and later in north" in Northeast China and massed a large number of troops to attack the southern Manchuria liberated areas. At that perilous and difficult time, he became secretary of the Southern Manchuria Subbureau (also known as East Liaoning Subbureau) of the CPC Central Committee and served concurrently as political commissar of the East Liaoning Military Area. He put forward a correct strategic view on persisting in the struggle in southern Manchuria. While three columns of northern Manchuria units of the Northeast Democratic United Army were moving southward across the Songhua Jiang, he and Comrade Xiao Jingguang, commander of the East Liaoning Military Area, directed the troops in southern Manchuria in the defense

of Linjiang and repelled four enemy offensives. The victory created favorable conditions for the Northeast Democratic United Army to turn offensive. Then, the units in southern Manchuria under his command took part in the summer offensive against the Kuomintang troops. At the same time, he led the agrarian reform in eastern Liaoning and helped recover and expand the southern Manchuria liberated area. In January 1948, Comrade Chen Yun returned to Harbin, continued to lead in the Northeast Bureau, and served concurrently as deputy political commissar of the Northeast Military Area. Later, he also served concurrently as chairman of the Northeast Finance and Economy Commission, took charge of economic work in the Northeast China liberated areas, and took part in organizing and commanding the Liaoxi-Shenyang Campaign. After the liberation of Shenyang in November, he served concurrently as chairman of the Shenyang City Military Control Committee, and accomplished an orderly takeover of Shenyang, an urban center, in less than a month. The Central Committee regarded the Shenyang takeover practice as an experience of success and popularized it. During his participation in leading the three-year war to liberate Northeast China, Comrade Chen Yun firmly implemented the correct strategic concept, working principles and operational principles of the Party Central Committee and Comrade Mao Zedong, and put forward certain correct views that had a bearing on the overall situation. He made outstanding contributions to strengthening the Northeast China Base Area, liberating entire Northeast China, reviving local economy, and smoothly moving major army units southward across Shanhaiguan. At the Sixth National Labor Congress held in Harbin in August 1948, he delivered a "Report on the Present Tasks of the Chinese Workers' Movement." In October, he was elected chairman of the All-China Federation of Trade Unions. In May 1949, he took orders to go to Beiping (now Beijing) to participate in the preparation of the Central Finance and Economy Committee and then took charge of it.

After the founding of the People's Republic of China, Comrade Chen Yun became a member of the Central People's Government, vice premier of the Administrative Council, and concurrently minister in charge of the Finance and Economy Commission and minister of the Ministry of Heavy Industry. In October 1950, he became member of the Secretariat of the CPC Central Committee. At the First National People's Congress in September 1954, he was appointed vice premier of the State Council. He was in charge of the nation's financial and economic work for a long time. He implemented the instructions of the Party Central Committee and Comrade Mao Zedong in a creative way, put forward many correct guiding principles for work and many important measures in consideration of China's national conditions, and made outstanding contributions. Comrade Mao Zedong spoke very highly of Comrade Chen Yun's ability in leading the financial and economic work.



During the early years of New China's founding, stabilizing market prices and ending the runaway inflation left behind by the Kuomintang regime was one of the most pressing tasks of the time in resolving financial and economic difficulties and in providing people with a stable life. Through investigations and study, he first led the serious struggle to strike back profiteering capitalists who drove up market prices, thereby quickly bringing market prices under control. Comrade Mao Zedong spoke highly of this. Thereafter, in March 1950, the party Central Committee and the Government Administration Council made a "Decision on Unifying the State's Financial and Economic Work" at Comrade Chen Yun's suggestion. As a result of implementing this decision, financial and economic work was unified nationwide by April and May, leading to a near balance between revenue and expenditure, financial and price stability, and an initial improvement in the country's financial and economic situation. This was a major victory scored by New China on the economic front. Afterward, he put forward guiding principles for financial and economic work in light of the difficult situation in the wake of the War To Resist U.S. Aggression and Aid Korea. The guiding principles ranked national defense first, market stabilization second, and other economic and cultural expenditures last, thus ensuring the successful conduct of the war and a rapid national economic recovery. In October 1953, the party and state successively decided to introduce planning for purchases and supplies of grain, cotton, and other major agricultural products—that is, state monopoly of purchases and marketing—at a suggestion he made in light of the actual situation prevailing at the time. Implementation of this major policy decision guaranteed demand and stable prices for grain, cotton, and edible oil needed by urban residents in their daily lives and for industrial production; promoted the socialist transformation of capitalist industry and commerce and individual farming; and ensured smooth progress in construction under the First Five-Year Plan. In February 1954, he served concurrently as head of the central working group for drafting the outline of the First Five-Year Plan. In drawing up and implementing the First Five-Year Plan, and in leading subsequent economic work, he consistently adhered to the principle of keeping reality in mind and seeking truth from facts, and opposed the erroneous tendency toward making reckless advances and being impatient for quick results regardless of reality. He called for bringing construction scale in line with national power, taking account of both people's lives and national construction, and striking an overall balance between revenue and expenditure, receipts and payments in bank credit, materials supply and demand, and foreign exchange receipts and spending in the course of drawing up economic plans in order to ensure proportionate and healthy national economic development. He maintained that only proportionate development could bring about the fastest growth rate and the optimum benefits [zhi you an bi li fa zhan cai neng qu de zui kuai di su du he zui hao di xiao yi 0662 2589 2174 3024 0173 4099 1455 2088 5174

0648 1779 2584 1816 4104 6643 1653 0735 2584 1170 4104 2400 4135]. He delivered a speech entitled "New Problems Following the Basic Completion of Socialist Transformation" at the Eighth CPC National Congress in September 1956. He advanced the concept of three "main components" and three "supplements" regarding reform of the economic structure; that is, state and collective operations are the main component of industry and commerce, supplemented by a certain number of individual operations; planned production is the main component of industrial and agricultural production, supplemented by free production according to market changes within the bounds of state plans; and state markets are the main component of the unified socialist marketplace, supplemented by free markets under some measure of state leadership. This was a fairly complete and original concept explored by Comrade Chen Yun during the mid-1950's regarding the establishment of a socialist economic system that suited our national conditions.

Comrade Mao Zedong spoke highly of Comrade Chen Yun in his speech at the Seventh Plenary Session of the Seventh CPC Central Committee prior to the Eighth CPC National Congress. He said: Comrade Chen Yun is quite fair, capable, and reliable. He sees things with an insightful and sharp eye, and can grasp the gist [chen yun tong zhi bi jiao gong dao neng gan bi jiao wen dang kan wen ti you yan guang jian rui neng zhua dao yao dian 7115 0061 0681 1807 3024 6525 0361 6670 5174 1626 3024 6525 4489 3981 4170 0795 7344 2589 4190 0342 1423 6904 5174 2119 0451 6008 7820]. This assessment was accepted by the plenary session. Comrade Chen Yun was elected vice chairman of the CPC Central Committee at the First Plenary Session of the Eighth CPC Central Committee. In November 1956, he served concurrently as commerce minister. In January 1957, he served concurrently as head of the five-person Central Economic Work Group (changed to the Financial and Economic Group in June 1958). At Comrade Mao Zedong's suggestion, in November, he drafted three decisions on improving the industrial, commercial, and financial management systems for the State Council. He pointed out: At present, there is too much centralization of power and too little decentralization. Our country has a large population and vast territory, with differing conditions in different localities. While there should not be excessive centralization of power, we should pay attention to possible local tendencies toward disregarding the overall situation after we have delegated power. This was the earliest attempt by the party and government at reforming the overly centralized planned economic system. In September 1958, he served concurrently as chairman of the State Capital Construction Commission.

After 1958, the party committed a "left" mistake in its guiding principle for economic work, then our country encountered serious setbacks in economic development, and the people in both urban and rural areas suffered

great difficulties in livelihood. Comrade Chen Yun discovered, sooner than others, the problems caused by "great leap forward" and the people's commune movement. In December 1958, he suggested not to publish the four major output targets of steel, cotton, grain and cotton set for 1959 by the Sixth Plenary Session of the Eighth CPC Central Committee; and he pointed out later that it was difficult to accomplish those targets. Those correct views were not given due attention. In April 1959, he proposed such measures as increasing grain production, reducing grain consumption, organizing urban non-staple food supply, specially arranging the production of daily necessities, streamlining urban work force, and giving higher priority to arranging transportation for market supplies so as to ease strained market supply. At Comrade Mao Zedong's request in May, he readjusted the excessive iron and steel output targets which affected overall economic situation then. Later on, while recuperating from an illness, he inspected agriculture, iron and steel industry, mines, chemical plants and the people's livelihood in Guangxi, Jilin, Hebei, Shandong, Henan, Anhui, Zhejiang, Jiangsu and Shanghai. After conducting an investigation at Xiaozheng Commune in Qingpu County, Shanghai, he pointed out the necessity to rapidly restore pig breeding business and let peasants raise most sows privately and keep sufficient area of private plot. In 1991 spring, he proposed several policies of overall importance, such as import of grain, setting high prices on several commodities so as to withdraw some currency in circulation, and encouraging urban population to move to countryside. During an enlarged central work conference in January 1962, he spoke on "how to make our understanding even more correct" at a small group discussion. In that speech, he dealt with the tendency of undue emphasis on subjective will, and suggested that in viewing any problem, we must "exchange" opinions and make multiple "comparison" and repeated "consideration" based on practical experience, so as to gain a more comprehensive and realistic understanding and provide a generally correct guidance. At an enlarged meeting of the standing committee of the CPC Central Committee Political Bureau and the leading party group meetings of various State Council ministries and commissions in February, he successively spoke on "current financial and economic situation and certain measures for overcoming difficulties." The speech played an important guiding role in unifying the thinking of the whole party, readjusting national economy, and striving for a better financial and economic situation. To arouse peasants' enthusiasm for production and solve serious problems in agricultural development then, he put forward a correct suggestion on practicing the system of fixing output quota for each peasant household. In April 1962, Comrade Chen Yun resumed the post of the leader of the Central Financial and Economic Group. With Comrade Mao Zedong's support, he joined Comrades Liu Shaoqi, Zhou Enlai and Deng Xiaoping in adopting a series of correct policies and resolute measures to overcome the negative consequences of "great leap forward" and the

people's commune movement. Economic prosperity was effectively restored in less than three years. The outstanding contributions made by Comrade Chen Yun during that period were universally acknowledged by the whole party and by the people across the country.

During the "Great Cultural Revolution," Comrade Chen Yun waged a resolute struggle against the counterrevolutionary clique of Lin Biao and Jiang Qing. Wrongly criticized at the time, he retained only the title of party Central Committee member. In 1969, he was sent to work in a factory in Nanchang, Jiangxi for as long as three years. During that period, he read a large number of Marxist classics, especially works authored by Lenin on new economic policy after the October Revolution. Linking these with China's reality, he studied several issues regarding our country's socialist construction. After investigating and studying some issues on foreign trade from 1973 to 1974 at Comrade Zhou Enlai's request, he pointed out: Since the general trend toward dealing with capitalists has taken hold, we should study contemporary capitalism very well. If we do not study capitalism, we will come to grief and will not be able to gain our due share of the world market. He also pointed out: We should not set the principle of self-reliance against the utilization of capitalist credit. Banks should assume the task of utilizing foreign capital with perfect assurance. These viewpoints carried great guiding significance at that time and later on. In January 1975, he was elected vice chairman of the Fourth National People's Congress [NPC] Standing Committee. In 1976, he took an active part in the struggle to shatter the "Gang of Four." He told Comrade Ye Jianying that the struggle was inevitable.

At the central work conference held in March 1977 after the "Gang of Four" was shattered, Comrade Chen Yun solemnly called for and resolutely supported the move to let Comrade Deng Xiaoping participate anew in the party Central Committee's leadership. He maintained that the Tiananmen incident of 5 April 1976 should be correctly understood and reassessed. He actively supported criticism against the erroneous principle of the "two whatevers," and discussion of what criterion should be used to judge the truth. He greatly admired [fei chang zan shang 7236 1603 6363 6339] the formulation that "practice is the sole criterion of truth." At the First Session of the Fifth NPC in March 1978, Comrade Chen Yun was again elected vice chairman of the NPC Standing Committee. At the central work conference in November and December that same year, he spearheaded the call for redressing the case of the so-called clique of 61 traitors, including Comrade Bo Yibo; for thoroughly correcting the erroneous political judgments on Comrades Tao Zhu and Wang Heshou; and for recognizing Comrade Peng Dehuai as a CPC member who had made tremendous contributions to the party's cause. Moreover, he pointed out that Kang Sheng had committed serious mistakes during the "Great Cultural Revolution," and suggested that the CPC Central Committee look into the matter. During the same conference,

he also noted that an active and steady approach was essential during the four-modernization drive. He favored the adoption of active measures to stabilize peasants first and allow them to rebuild their strength; an orderly and step-by-step approach, instead of a headlong approach, toward importing industrial projects; and the extension of some standby financial resources to various provinces and municipalities. All this played a very important role in correcting "leftist" errors that existed within the party at the time.

At the Third Plenary Session of the 11th CPC Central Committee of profound historic significance in December 1978, Comrade Chen Yun was reelected member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the CPC Central Committee, and was elected first secretary of the Central Discipline Inspection Commission. After the Third Plenary Session of the 11th CPC Central Committee, he made major contributions, along with other comrades from the central leading collective, to leading comrades throughout the party in setting to rights the ideological, political, and organizational lines; in formulating and implementing the basic line of taking economic construction as the central task and upholding the four cardinal principles, reform, and opening up; in correctly resolving many problems left over by history since New China's founding and new problems that had cropped up in real life to successfully usher in a new period of development for our country's socialist cause, in his capacities as a member of the second-generation central leading collective with Comrade Deng Xiaoping as the core, and as one of the principal party and state policymakers. During that period, he put forward viewpoints and propositions of great guiding significance regarding several major issues of critical importance.

Comrade Chen Yun vigorously supported Comrade Deng Xiaoping's idea of scientifically establishing Comrade Mao Zedong's historical position and of upholding and developing Mao Zedong Thought. He repeatedly stressed: Comrade Mao Zedong's merits are primary and his errors are secondary. Comrade Mao Zedong made a unique contribution; that is, he trained a generation of cadres, including ourselves. Speaking at the first plenary session of the CPC Central Committee Central Discipline Inspection Commission in January 1979, he pointed out: The party's discipline inspection organs' basic tasks were to safeguard the party's rules and regulations and to rectify the party's workstyle. The meeting discussed a draft of "On Several Regulations Governing Political Life Within the Party" which was submitted to the CPC Central Committee for deliberation and approval. In February 1979 the CPC Central Committee Central Discipline Inspection Commission and the CPC Central Committee Organization Department jointly began to reexamine Comrade Liu Shaoqi's case. The Fifth Plenary Session of the 11th CPC Central Committee adopted a resolution to rehabilitate Comrade Liu Shaoqi who had been wrongly accused. Later, in accordance with Comrade Chen Yun's proposal and

under the approval of the Standing Committee of the CPC Central Committee Political Bureau, the CPC Central Committee Central Discipline Inspection Commission also reexamined Comrade Pan Hannian's case and decided to rehabilitate Pan Hannian who had been wrongly accused.

Comrade Chen Yun concurrently served as minister in charge of the State Council's Finance and Economic Affairs Commission from March 1979 to March 1980. In July 1979 he was appointed vice premier of the State Council. In an outline on "Planning and Market Issues" written in March 1979, he pointed out: The main shortcomings in the Soviet and Chinese planning systems in the past 60 years were that they only had requirements for "planned and proportional" development, but did not have requirements for market regulation under the socialist system. He also pointed out: Macroeconomic regulations and control would mainly rely on planning efforts in the future; and whether or not we use the direct or guided planning format, we should always apply various economic regulatory methods. These views exerted extensive and profound influence on all party comrades to emancipate their minds and to seek truth from facts, and on breaking China's overconcentrated planned economic system from the late 1970's to the early 1980's. To resolve the seriously unbalanced development in China's national economy at that time, he and Comrade Li Xiannian jointly wrote to the CPC Central Committee, proposing to readjust the national economy within two to three years in line with the principle of proportional development. On the basis of this proposal, the CPC Central Committee formulated a policy to "readjust, reform, rectify, and improve" the national economy; remarkably resolved problems in the national economy; and facilitated reform in the rural economy. In his speech, entitled "Economic Conditions and Lessons From Past Experiences," made at a central work meeting in December 1980, he pointed out: Our principal mistakes in economic construction since the founding of the PRC have been the erroneous "leftist" influences. Generally, the situation was relatively favorable before 1957. However, the erroneous "leftist" influence became serious after 1958. These were major mistakes and we paid a high price for them. The mistakes occurred mainly because of the erroneous "leftist" guiding ideology. He fully affirmed the achievements and unprecedented fine role of China's structural reform in developing the economy, improving the people's livelihood, and invigorating the market. He especially indicated that it was good to do things in line with economic laws, but also simultaneously pointed out the necessity of state intervention. A country such as China would not function without centralized administration. Only after we have properly carried out macroeconomic regulation and control can we successfully invigorate microeconomic activities, whereby they operate vigorously, yet controllably. Otherwise, China would be in chaos, which would be detrimental to reform. He also pointed out: To



systematically restructure the socialist economy was a top priority in China's current economic tasks.

However, the reform involves a considerably large range of things, a large number of cadres are still not familiar with it, and some unforeseeable problems could occur during the course of reform. For this reason, we must explore and sum up experience during the course of practice. He consistently advocated that in distributing national income, the ratio between accumulation and consumption must be proper. He disapproved of excessive accumulation—namely, an overemphasis on construction at the expense of people's livelihood—nor did he approve of consumption increases exceeding production increases. He clearly and definitely pointed out at the end of 1981 that the major principle for economic work is to feed the people and undertake construction, and that the country will have no hope if everything is consumed and used up. He also consistently advocated that the central authorities should centralize necessary financial resources in the interest of the whole. He attached great importance to agriculture, particularly grain production, and reminded people of the historical lesson that "insufficient agriculture leads to instability," and "grain shortages lead to disorder."

Comrade Chen Yun, greatly concerned about party building in the new period, took part in formulating the policy of making the cadre ranks more revolutionary, younger in average age, better educated, and professionally more competent. He called for immediate, great efforts to train and select thousands upon thousands of middle-aged and young cadres who have both moral integrity and ability. At the Fifth Plenary Session of the 11th CPC Central Committee, held in February 1980, he proposed that a smooth succession between the party's leading cadres be ensured. He said: An important task of the Central Secretariat and the whole party is to select qualified young cadres at various levels. In the spring of 1981 he proposed the establishment of the first, second, and third echelons of cadres so that the party could have a cadre force composed of old, middle-aged, and young cadres, and adapted to the modernization drive. He described this as a strategic task deciding the future of the party and the country. He emphasized over and over that attention should be paid to selecting and using cadres from all parts of the country. He repeatedly advocated that leading cadres should study Marxist philosophy well. He believed that, in order to lead our party and our country well, the most important thing to do is to ensure that leading cadres have correct thinking and correct working methods. He repeatedly emphasized that, in order to have a more comprehensive and correct understanding and to make fewer or no mistakes, we should adopt a dialectic materialistic method of "doing not merely what the superiors or books say, but doing what is realistic, exchanging opinions, making comparisons, and giving repeated consideration." He vigorously advocated that leading cadres should personally take a hand in conducting investigation and study, and befriend anyone who dares to tell the truth and conduct

heart-to-heart talks. He attached great importance to the improvement of party style and seriously pointed out that the issue of party style is a matter of life and death for the party. He pointed out: In order to improve party style, the most important thing for the party's leading organs to do is to uphold and implement the principle of democratic centralism stipulated by the CPC Constitution. In the party, there should be a democratic atmosphere, and it should be permissible to express and reserve different opinions. During the course of reform and opening up, the principle of party spirit and party discipline should not be slackened. He attached great importance to the building of socialist spiritual civilization, and pointed out that our country is a socialist country in which there should be both a high degree of material civilization and a high degree of spiritual civilization, and this is the orientation for our struggle which we should always maintain. He repeatedly reminded leading departments at various levels to attach great importance to and seriously deal with negative phenomena within society, and to build the two civilizations simultaneously. He attached great importance to maintaining social and political stability, and believed that both economic failure and propaganda failure could capsize the boat. He expended a great deal of his energies on strengthening the great unity among all parties, all nationalities, and all circles in our country; on consolidating and developing the patriotic united front; and on resuming the exercise of sovereignty over Hong Kong and Macao and achieving the peaceful reunification of the two sides across the Taiwan strait in accordance with the "one country, two systems" concept.

Comrade Chen Yun had an earnest concern and demand that the offsprings of revolutionaries, especially senior cadres' children, preserve the party's glorious tradition. As early as June 1949, Comrade Chen Yun wrote a letter to the son of a comrade-in-arms, urging him never to take on the airs of a hero, and to always bear in mind that the ordinary people were the real heroes of the revolution. At a 1983 Spring Festival gathering at his house with the children of some martyrs who joined the revolution in the CPC's early years but died subsequently, Comrade Chen Yun exhorted them: As the offspring of revolutionaries and children of the party, you should always proceed from the party's interests and risk everything you have to safeguard the party's interests as your fathers did. These were Comrade Chen Yun's fervent expectations for the younger generation of Chinese people.

Comrade Chen Yun was very concerned with the question of intellectuals and education. In July 1982, in a letter to the Central Political Bureau's Standing Committee, he suggested that middle-aged intellectuals' working and living conditions be improved, because without doing so, it would be impossible to promote science and technology as well as productive forces. In September 1984 he suggested that middle and primary school teachers' social status be enhanced so that teaching would gradually become one of the most

respectable and admirable professions of society. He showed a keen interest in the collation of ancient books, deeming it a major task of inheriting the motherland's cultural legacy. He also showed interest in the development of pingtan [storytelling and ballad singing in the Suzhou dialect], and called for "training talented people, publishing books, and following the correct path" in folk art.

Following the 13th CPC National Congress, Comrade Chen Yun resigned from the party Central Committee's leadership work and assumed the post of the chairman of the Central Advisory Commission. Comrade Chen Yun played an extremely important role in the smooth transition from the second-generation central leading collective with Comrade Deng Xiaoping as the core, to the third-generation central leading collective with Comrade Jiang Zemin as the core; and in maintaining the stability of the party and the state. In opposing the turmoil in 1989, Comrade Chen Yun took a clear-cut stand in doing a tremendous job of safeguarding the fundamental interests of the party and the people. Following the 14th CPC National Congress, he lived in retirement, but still always concerned himself with reform, opening up, and the socialist modernization drive. He especially emphasized: China's economic construction today is much larger and complicated than before. Some practices which proved to be effective previously are no longer applicable under the new situation of reform and opening up. Therefore, we should diligently study new areas and constantly explore and solve new problems.

On the eve of the Spring Festival of 1994, Comrade Chen Yun delivered a speech in Shanghai, pointing out: Since the Third Plenary Session of the 11th CPC Central Committee, held in 1978, the national economy has developed very rapidly and people's living standards have greatly improved—this is a fact that everyone can see. Of course, many difficulties and problems still exist. To solve these difficulties and problems, we must first uphold and strengthen the authority of the party Central Committee with Comrade Jiang Zemin as the core. Without the party Central Committee's authority, we would be unable to accomplish important tasks and to maintain social stability. He stressed: The current central leading body is strong and capable, and has done its job well. People across the country should work with one heart and one mind and unite together to completely carry out the series of principle guidelines, policies, and measures adopted by the party Central Committee and State Council. It is hopeful that China will successfully develop its economy; the socialist China has bright prospects.

During his more than 70 years' of revolutionary life, Comrade Chen Yun remained firmly committed to the lofty communist ideals and great communist cause and was profoundly loyal to the party and people. He was good enough to serve as a model for us. He consistently insisted on and was skillful in integrating basic Marxist principles with China's specific reality; and he creatively

led our revolutionary struggle, economic construction, and the party's building, demonstrating a proletarian revolutionary's farsightedness, insight, and outstanding leadership. Comrade Chen Yun's thinking and views are largely reflected in his three volumes of selected works. His writings are precious spiritual wealth which he has passed to the party and people. Comrade Chen Yun had staunch proletarian party spirit—he always took the overall situation into consideration, upheld the principle, stood for unity, abided by discipline, and was always open and aboveboard, modest, and prudent. He always adhered to the principle of seeking truth from facts and adopted a strict scientific attitude. He was always willing to hear different opinions; and he practiced a work style of placing importance on practice, of doing things personally, meticulously, and in a down-to-earth manner, and of doing things resourcefully and decisively. He kept in contact with the masses, showed concern for them, and respected their creations; he cherished cadres and people of ability and respected knowledge; he was hardworking, sincere and honest, self-denying, and public-spirited. He enjoyed high prestige at home and abroad, and was profoundly respected and loved by the whole party, whole armed forces, and people of all nationalities across the country.

Comrade Chen Yun's death is a huge loss to the party and state. We deeply mourn his death. We should turn our grief into strength; earnestly emulate his lofty revolutionary spirit and fine qualities; closely unite around the party Central Committee with Comrade Jiang Zemin as its core; insist on using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as a guideline; unwaveringly carry out the party's guiding principles and policies; and work diligently for the Chinese nation's rejuvenation and China's socialist modernization.

Comrade Chen Yun forever lives in the hearts of the people!

#### **Hong Kong Newspapers Report Further on Chen Yun**

**Cremation 17 Apr**

*HK1504060095 Hong Kong TA KUNG PAO in Chinese 15 Apr 95 p A3*

[Special Dispatch: "Chen Yun's Remains To Be Cremated on 17 April; Jiang Zemin, Li Peng To Pay Final Tribute to Chen at Hospital"]

[FBIS Translated Text] Beijing, 14 Apr (TA KUNG PAO)—The remains of Comrade Chen Yun, an outstanding leader of the party and state, will be cremated on 17 April in Beijing. Flags will fly at half-mast on that day at Tiananmen Square, Xinhuaamen, the Ministry of Foreign Affairs, and other locations. Reportedly, Jiang Zemin, Li Peng, and other senior party and state leaders will go to Beijing Hospital at 0800 on the morning of 17 April to pay a final tribute to Chen Yun. Then party and

state leaders will escort the remains of Chen Yun to the Babaoshan Revolutionary Cemetery. Leaders at all levels of the party, government, and Army organs and people from all walks of life in the capital will go to Babaoshan to take part in the ceremony to pay their last respects to Chen Yun. After the ceremony, the remains of Chen Yun will be cremated in the afternoon at Babaoshan.

**'Atmosphere' of Stability Exists**

HK1704041095 Hong Kong LIEN HO PAO in Chinese  
17 Apr 95 p 1

["Special report" by staff reporter: "Chen Yun's Funeral To Be Held Today, Beijing Deliberately Creates Atmosphere of Political Stability"]

[FBIS Translated Text] Today, the mainland authorities will hold a farewell ceremony for late party elder Chen Yun, after which his body will then be cremated. Chen Yun's remains will be laid to rest in Babaoshan Martyrs' Cemetery. The Beijing authorities have taken great pains to arrange Chen Yun's funeral. As their greatest concern, they do not want to see Chen Yun's death cause any unrest in the political situation, or cause outsiders to have doubts about the ability of the third generation of leadership.

Chen Yun died in Beijing Hospital at 1404 local time on 10 April. That afternoon, military and police personnel gathered around the hospital. People and cars frequently moved in and out of area where another party elder, Peng Zhen, lives. On the early evening of the same day, the XINHUA NEWS AGENCY notified various mass media organs in Beijing to prepare to receive the official obituary. However, a "telephone instruction" postponed the issuance of the obituary for 29 hours after Chen Yun's death. The death was announced on CCTV's evening news cast.

The announcement of Chen Yun's death was delayed for 29 hours after his death, not because the authorities needed time to prepare the obituary, but because they had to wait until "stability" was guaranteed in all areas so that unnecessary shock effects could be prevented. According to Chen Yun's status inside the party, after the hospital issued the notification that his condition was critical, the obituary about his achievements and merits was prepared. Reportedly, senior cadres in Beijing were notified of Chen Yun's death the same day.

On 12 April, all major newspapers in the mainland carried the obituary issued by the XINHUA News Agency on the front page, but no commemorative articles were published. All newspapers just carried the original XINHUA dispatch and called Chen Yun "a great proletarian revolutionary and statesman, an outstanding Marxist, one of the creators and founders of China's socialist economic construction, and an outstanding and long-tested leader of the party and the state." Only BEIJING QINGNIAN BAO called Chen

Yun "a great man" and told the story of his important position within the CPC through photographs.

On 13 April, the major mainland newspapers carried some thought-provoking news reports. One report said that, while Chen Yun was critically ill, central leaders visited him in the hospital, and the names of the third-generation leaders were mentioned ahead of Deng Xiaoping. Another report said that State Council Premier Li Peng stressed when meeting foreign participants in the 1995 China Summit that the current central leadership in China is the third-generation central leading body with Jiang Zemin at the core, and they have the ability and confidence to lead the people in mainland China to advance undertakings in all fields. Beijing's low profile in handling Chen Yun's death aimed to show that, although Chen Yun was an important party elder, as he was not in power, his death would not affect the stability of the mainland political situation.

In order to make the general public and the outside world believe that nothing is going to change in mainland China, television and newspapers continued to reveal that, during Chen Yun's critical condition and after his death, the central leaders continued their normal work: As members of the Standing Committee of the Political Bureau, Qiao Shi continued his visit to Japan; Li Peng inspected work in Shanxi; and Zhu Rongji inspected work in Shanghai. Vice Premier Qian Qichen continued his trip in Europe; Vice Premier Zou Jiahua presided over a meeting on Three Gorges resident relocation project in Sichuan's Wanxian; Vice Premier Wu Bangguo inspected Hubei; and Wei Jianxi, member of the CPC Central Secretariat, inspected Guizhou. In addition, Jiang Zemin and Vice President Rong Yiren received many foreign visitors in Beijing. Qiao Shi will not return to attend Chen Yun's funeral. Through all this, the CPC central authorities were making an effort to "inform" the outside world that the central authorities in China were not in disarray, and everything in Beijing remained normal.

Chen Jian, spokesman for mainland's Foreign Ministry, said that Beijing's funeral arrangement for Chen Yun would follow the relevant regulations and Chen Yun's own wishes before he died. According to informed sources, although the CPC central authorities issued a circular in 1991 on simplifying funerals for senior party and state leaders, in fact, Chen Yun's body remained in Beijing Hospital, and Chen Yun's family opened a mourning hall in his house for three days for people to pay their last respects to the deceased in private. The funeral pattern the Beijing authorities arranged for Chen Yun also indicates that after other party elders, namely, Peng Zhen, Yang Shangkun, Wan Li, and Song Ping die, their funeral arrangements will be similar to Chen Yun's and there will be no special memorial activity.

Deng Xiaoping and Chen Yun were always considered the two most influential elders inside the CPC. The outside world has conjectured about whether their death



would have a major impact on the mainland situation. At least, Chen Yun's death gave an opportunity to the CPC central authorities to demonstrate the normal operation of the established third-generation leading body and to show that there would be no earthshaking change in the mainland political circles because of the death of an elder. However, Chen Yun was not equal to Deng Xiaoping. The calmness after Chen Yun's death does not mean that the same calmness will exist after Deng Xiaoping's death.

Ordinary people in Beijing have asked one another in recent days whether Chen Yun's death will have any impact on the mainland economy. Some people have said: The fact that Chen Yun died ahead of Deng Xiaoping was a fortunate thing for the mainland people, because Deng Xiaoping's economic ideas were more acceptable to them. This time, Chen Yun's funeral represents the end of the old era, after the CPC took power in 1949. New leaders are in power in the new era; individual leadership has been replaced by collective leadership. Even if Deng Xiaoping dies, no major changes will occur in the political situation within a short time.

Chen Yun will become just a name and some data in China's history.

#### **Chen Dies of 'Renal Failure'**

*HK1504043495 Hong Kong LIEN HO PAO in Chinese  
15 Apr 95 p 1*

[Report by Special Correspondent An Ping (1344 1627) from Beijing: "Chen Yun Dies of Acute Renal Failure Complicated by Uremia and Lung Infection"]

[FBIS Translated Text] At a time when the outside world is speculating what had caused Chen Yun's death, sources here disclosed: Chen Yun died of renal failure complicated by uremia [niao du zheng 1443 3021 4017] and a serious respiratory system infection. Before his death, Chen was unable to urinate and had to undergo a tracheotomy, in which he received an artificial trachea to help him breathe.

The Beijing authorities are expected to announce details concerning the cremation of the late Chen Yun's remains in one or two days. A mourning hall has already been set up in his Beijing residence so that family members and friends can mourn the deceased.

The sources stated: After March of this year, 90-year-old Chen Yun's health deteriorated rapidly and he was even in a critical condition on several occasions. A kidney cleaner was being used to boost his kidney functions. However, the condition of his lungs was so poor that the kidney cleaner could do little to alleviate his suffering. In the end, as he could no longer urinate, doctors had to use a diuretic and extract his urine. Since his kidneys could not function normally, he suffered an imbalance in his internal acid and alkali levels and developed uremia (acid poisoning), the major cause of his death.

Chen Yun was also suffering from a serious lung infection and had not been able to breathe normally. Doctors had to perform an operation on his trachea to clean up the excreta and insert an artificial trachea, but this was to no avail. When he was in a coma, Chen Yun could not recognize the party and state leaders who called on him. At the beginning of this month, after being briefed on the condition of Chen Yun's health, CPC General Secretary Jiang Zemin ordered that the medical team concerned do all it could to rescue Chen Yun. However, all rescue measures proved ineffectual in the end. It was learned that the process of rescuing Chen Yun has value for the CPC as it applies to the future rescue of Deng Xiaoping.

The CPC has not yet made public the cause of Chen Yun's death. The sources stated: In accordance with government regulations, causes of death will not be announced in the future. The sources also claimed that supreme CPC veteran Deng Xiaoping and veteran Peng Zhen are both "in very good health" at the moment.

#### **Chen, Deng Differences Settled**

*HK1704052395 Hong Kong EASTERN EXPRESS in  
English 17 Apr 95 p 1*

[By Bruce Gilley]

[FBIS Transcribed Text] China's two party grandees, Deng Xiaoping and Chen Yun, settled their differences in private shortly before the latter's death last Monday, Deng's brother said yesterday. "In recent years they did not have much contact, but they reached some understanding," Deng Ken said from his home in the central city of Wuhan.

The mending of fences is thought to have taken place early last year, according to diplomatic sources in Beijing. The popular view that Deng and Chen were opponents was "mainly just talk", Ken asserted. "But they did have some natural conflicts," he added, without going into details. He did not know which members of the Deng family would attend today's funeral in Beijing, as he had not been in contact with his brother's household this year. "He (Deng Xiaoping) is old now and I do not want to disturb him," he explained. However, he said there was no bad blood between the two families as a result of the pair's long estrangement.

Flags will be flown at half-mast throughout China today to mark the cremation of Chen, who died last Monday in Beijing, aged 90. Officials announced yesterday that the urn containing Chen's ashes will be interred in a section of the Babaoshan cemetery of revolutionary martyrs. Leaders including Mao Zedong and Zhou Enlai were remembered there before the banning of lavish funerals in 1991.

#### **PRC-Affiliated Hong Kong Press on Chen Death**

*HK1304055495*

[Editorial Report] Hong Kong's two major PRC-affiliated dailies, TA KUNG PAO and WEN WEI PO, differed widely in their 11, 12 April coverage of CPC elder Chen Yun's death.



11 April

TA KUNG PAO devoted nearly the entire front page of its 11 April edition to coverage of the death and related material.

In contrast, the 11 April edition of WEN WEI PO made no reference to the story. Page A1 was entirely given over to an advertisement. On page A2, where important news items are usually carried, WEN WEI PO gave prominent place to three dispatches on the fall of the dollar, along with a 1,500-character editorial entitled: "The United States and Japan Match Magical Powers With Each Other," in addition to the translated version of a REUTER dispatch on the same topic. On the right-hand side in the middle of the page, there appears a 600-character WEN WEI PO dispatch from Beijing on five major points in banking reform contained in Chen Yuan's written speech to the "1995 China Summit" on 10 April.

12 April

On 12 April, WEN WEI PO devoted all of page A2 to material relating to the death of Chen Yun. In addition, Page A3 was taken up entirely with 10 photographs from the life of Chen Yun, along with an inscription written by the deceased.

In the upper part of page A2, there appears the full text of the XINHUA dispatch on Chen Yun's obituary. The article is enclosed within a 36 cm by 29 and one-half cm black box, under a banner: "The CPC Central Committee, the National People's Congress Standing Committee, the State Council, the Chinese People's Political Consultation Conference National Committee, and the Central Military Commission Announce With Deep Grief That Chen Yun Died of Illness in Beijing at the Age of 90; the Obituary Praises the Exemplary Role of His Lifetime Efforts for China." The banner is printed in white characters on a black background. A 6 and one-half cm by 9 cm black-and-white photograph of Chen appears in the upper right-hand corner of the box, directly below the banner.

At the lower left-hand side of page A2, there appears a 1,500-character editorial: "By Making the Country Strong and the People Well Off, He Will Go Down in History—Mourning the Veteran Chinese Leader Chen Yun." Along with the editorial are five dispatches related to Chen. In the lower middle part of the page is a 150-character WEN WEI PO dispatch entitled: "Activities To Mourn Chen Yun Are To Be Conducted Along the Norms for a State Leader." On the lower right-hand side of the page, there appears an 800-character WEN WEI PO special dispatch from Beijing entitled: "Chen Yun Led a Regular Life, Took Light Food, and Loved Soybean Milk." At the lower right-hand corner of the page is a 500-character WEN WEI PO dispatch entitled: "Hong Kong Residents Praise Chen Yun's Contributions." At the bottom-center of the page, there appears another 8 cm by 10 cm black-and-white photograph of

Chen; the caption reads: "Chen Yun practices calligraphy at his residence in Hangzhou in April 1987." Directly below the photo is a 100-character ZHONGGUO TONGXUN SHE dispatch entitled: "Beijing Announced Chen Yun's Death Last Evening." The last dispatch, appearing on the lower left-hand side of the page, between the editorial and the photograph, is another 100-character ZHONGGUO TONGXUN SHE dispatch titled: "No Fluctuations Shown in Hong Kong Stock Market; H-Shares Are Sound."

Page A3 is headed by a banner in white characters on a black background, reading: "Photographs From the Life of a Revolutionary of the Older Generation: Chen Yun" The 10 photographs are as follows:

Directly under the banner and taking up the left and center of the page is an 18 and one-half cm by 27 and one-half cm color photograph of an elderly Chen Yun seated at a desk reading a copy of "MEI RI YAO WEN" [Daily Bulletin 3020 2480 6008 5113]. The caption reads: "Again appointed State Council vice premier at the Second Session of the Fifth NPC in 1979."

To the right of this picture appear two 8 and one-half cm by 7 and one-half cm black-and-white photos, one over the other. The upper one shows Chen Yun, center, seated at a table, with Jiang Zemin, left, and an unidentified man, right standing, leaning toward Chen. The caption reads: "Hearing work report by the Ministry of Electronic Industry on the development and application of integrated circuit and electric computer industry in 1984; Chen Yun examines a sample integrated circuit and microprocessor; Jiang Zemin was minister of the electronic industry at the time. The lower picture shows a young Chen Yun, wearing a fur-collared coat and military cap. The caption reads: "In Yanan during the War of Resistance Against Japan."

At the center-left of the page, immediately below the large photograph, is a 9 cm by 18 cm black-and-white photograph showing Chen and Deng Xiaoping seated at a table with microphones. The caption reads: "Together with Deng Xiaoping at the Third Plenary Session of the 11th Central Committee in 1978."

At center-right is a 12 cm by 17 cm color photograph; the caption reads: "Together with Mao Zedong, Liu Shaoqi, Zhou Enlai, Zhu De, and Deng Xiaoping at the enlarged Central Committee work session in early 1962."

Immediately below the picture of Chen and Deng appears a pair of photographs, side by side. The one on the left, in black and white, measures 6 and one-half cm by 7 and one-half cm. It shows a middle-aged Chen wearing a Mao suit with the jacket unbuttoned, and standing with a group of unidentified men. It is captioned: "Visiting the Taochun Agricultural Cooperative in suburban Lanzhou in the summer of 1958." The color photo on the right, 6 cm by 8 cm, shows an older Chen with a middle-aged woman. The caption reads: "With his wife, Yu Ruoshui, in 1986."

In the bottom left-hand corner there appears a 10 and one-half cm and 17 cm color photograph showing an elderly Chen, Wu Bangguo, Huang Ju, and three unidentified men. Chen, Wu and Huang are in front, seated in armchairs. The other three men are seated behind. A portable stereo system sits on a table to Chen's right. The caption reads: "Talking cordially with Wu Bangguo and Huang Ju in 1992."

The bottom left-hand corner of the page is taken with two color photographs, one above the other. The upper one is 9 cm by 10 and one-half cm, and shows Chen and a group of unidentified men standing and wearing hard hats. The caption reads: "While inspecting Shanghai's Baoshan Iron and Steel Company in 1986." Below is a cutting from a photograph taken on the same occasion, showing a hard-hatted Chen examining a small unidentifiable object. The caption reads: "Observing steel turned out by the steel plant."

At the bottom-center of the page there appears an inscription written by Chen Yun, which reads: "Be engrossed in doing solid work, be strict with requirements, be constantly perfecting; forever blaze new trails. Presented to the Baoshan Iron and Steel Company." It is signed: "Chen Yun, '82," with Chen Yun's personal chop.

The 12 April edition of TA KUNG PAO publishes on page A2 the XINHUA dispatch on Chen Yun's obituary below a banner reading: "The Central Authorities Issued Obituary Yesterday; Chen Yun's Life Is Assessed Highly." The banner is printed in white characters on a black background. At the lower left-hand side of the page—below the day's editorial, entitled: "Hong Kong Residents' High Level of Autonomy Is Not To Be Compromised by Taiwan Authorities"—there appears a 300-character TA KUNG PAO dispatch entitled: "China's Orientation Is Set, and Will Not Be Affected by Chen Yun's Death."

#### **Jiang Zemin, Li Peng on Planned Parenthood**

OW1404150595 Beijing XINHUA Domestic Service in Chinese 0528 GMT 19 Mar 95

[By Central People's Radio Network reporter Liu Zhenying (0491 2182 5391) and RENMIN RIBAO reporter Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Beijing, 19 Mar (XINHUA)—On 18 March, the CPC Central Committee and the State Council called a national planned parenthood forum at Zhongnanhai's Huairan Hall. Jiang Zemin, CPC Central Committee general secretary and state president, gave an important speech at the meeting, which he chaired.

Jiang Zemin stressed: At a time when we are establishing a socialist market economic system, we also come face to face with many new situations and new issues with regard to population and planned parenthood. We cannot afford to be upbeat with the population situation, and under no circumstance can we relax our efforts in

promoting planned parenthood. The task of strictly controlling the growth of the Chinese population is a formidable one. As such, leading authorities at all levels, and all cadres and the masses must be mentally prepared for making protracted efforts, fully understand the formidability, and continue to promote planned parenthood so that we can effectively and rationally control the growth of the nation's population, and so that the nation's population environment can facilitate China's sustained economic and social development.

Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, and Hu Jintao were present at the forum.

The fact that this was the fifth planned parenthood forum that the CPC Central Committee and the State Council has called while the National People's Congress [NPC] is still in session shows the great determination of the CPC Central Committee and the State Council to strictly control the excessive population growth and enforce planned parenthood for a long time to come.

When the forum began, Peng Peiyun, state councillor and minister in charge of the State Commission for Planned Parenthood, gave a briefing on the situation about the nation's population and planned parenthood. Jilin Governor Gao Yan, Sichuan Governor Xiao Yang, and Jia Zhijie, secretary of the Hubei Provincial Party Committee, also described their provinces' situation in promoting planned parenthood. Comrade Song Ping gave a speech on the work accomplished by the China Planned Parenthood Association.

In his speech Jiang Zemin said: Thanks to the many years' of untiring efforts made by party committees, governments, and cadres as well as the masses in controlling the population and improving the population's quality, the Chinese people's birth rate has declined to a relatively low level. While the whole world acknowledges China's successes in controlling the population, we must also be soberly aware that the base figure of the Chinese population and the absolute figure of the population born each year are still very high; the low birth rates today are precarious; and the development of planned parenthood differs greatly from region to region.

Jiang Zemin continued: The population issue is essentially an issue concerning development. The many problems we have encountered in our economic and social development—such as food, employment, education, the ravage of resources, environmental pollution, ecological imbalance, and so forth—bear directly on the large base figure of the population and the fast population growth. It is very hard to achieve a sustained, rapid, and healthy economic development and overall social progress if we fail to put the population under rational control, or if the growth of the population fails to coordinate with the development of our economy, society, resources, and environment. Party committees and governments at all levels, especially their top leaders, must have an overall, strategic, and thorough understanding of the importance and urgency of the

population issue, never shift their focus from economic construction, but do an even better job in coordinating economic development and social development. To improve the quality of our people, we should work hard to improve their material and cultural lives, heighten their sense of ethics, improve their physical and mental health, and safeguard their legitimate rights and interests.

Jiang Zemin said: Party committees and governments at all levels must place the issues of population and development high on their agendas. Party and government leaders must take personal charge of planned parenthood, and draw up and carry out specific strategies and plans that coordinate population growth with economic and social development. They should also organize departments concerned and all social sectors to manage the population issue comprehensively so that with the enormous combined strength we can accelerate the process of coordinating China's population growth with the nation's economic and social development.

Jiang Zemin stressed: While promoting planned parenthood, we should place the emphasis in the rural areas where the work is the hardest. We should give full scope to the grass-roots party organizations' role as the leading core and the Communist Party members' role as vanguards and examples so that they can really become the leaders guiding the peasants to bear fewer babies and become affluent or lead a comparatively comfortable life sooner. Our many years of practical experiences show that whether or not planned parenthood can succeed in the rural areas is entirely determined by whether or not the grass-roots party organizations there act firmly. Party committees and governments at all levels must exercise stronger leadership over rural areas' planned parenthood. One important way to judge the performance of the grass-roots party organizations in the rural areas is to see whether or not they can promote planned parenthood in the rural areas and operate an efficient planned parenthood network there, and whether or not party members and cadres will take the lead in practicing planned parenthood themselves.

He said: The initiative of party members and cadres is essential for the success in promoting planned parenthood. The reason why many places have succeeded in promoting planned parenthood is primarily because the examples set by party members and cadres have enlightened the people around them and helped them understand that planned parenthood is honorable. On the other hand, the masses are greatly dissatisfied with some party member-cadres in certain places who have taken the lead in violating the planned parenthood policy, taking advantage of their authority. Thus, organization and discipline inspection departments of all party committees must educate these grass-roots cadres and seriously handle the cases of those cadres and party members who have given birth to more children than the policy permits.

Jiang Zemin pointed out: Chinese women now have double responsibilities to produce, namely, taking part in production in society and giving birth to children. Thus, to control the population and make planned parenthood a success, we must elevate the status of women. China's superior socialist system has paved the way to equality between men and women and to women's emancipation. As a result of planned parenthood, the vast number of Chinese women have freed themselves from the heavy responsibilities given rise by frequent childbirths and childcare. Now they can spend more time and energy on studying academic subjects and science, and on taking part in economic development and various social activities. Not only has this improved their quality, but it has also elevated their status in their families as well as in society and all economic sectors. Chinese women have now become an important force in the nation's political, economic, and social spheres. This is an enormous step forward in the history of women's development.

Jiang Zemin concluded: When the Fourth World Women's Congress takes place in Beijing this year, we will show the world community the great successes China has achieved in women's work, and we will also strive to improve women's work by learning from the good experiences of other countries.

Premier Li Peng also addressed the forum. He said: Facts have proved that the Central Committee's three requirements—that the current policy for planned parenthood, the target set for population control, and the top party and government leaders must take personal charge of planned parenthood must remain unchanged—are entirely correct, and so is its guideline that planned parenthood must be properly tightened.

Li Peng said: When we consider an issue, we as leading cadres must keep in mind that the Chinese population has already reached 1.2 billion. This is a problem no other country in the world has to deal with. Because of this basic fact, China must strictly control its population. A scientifically formulated population plan must be incorporated with our Ninth Five-Year National Economic and Social Development Plan and other plans scheduled to be accomplished by 2010. The population plan is an important part of the entire national economic and social development plan because many targets set for national economic and social development must be calculated on a per capita basis. While our population plan must reflect the requirement that the excessive population growth must be strictly controlled, it must also be realistic so that grass-roots units can reach the targets after exerting some efforts.

He said: In recent years, some local authorities have creatively promoted planned parenthood along with developing the rural economy, with helping the masses become affluent through hard work, and with establishing civil and happy families. This is a good experience that we should endorse because it has reformed the



work of promoting planned parenthood. I hope all localities will continue to explore and create new experiences in this regard.

Li Peng said: Population and planned parenthood are social system engineering projects that involve many economic and social sectors, and which cannot be achieved without the active participation and coordination between departments concerned and the society as a whole. Party committees and governments at all levels must consider planned parenthood as being just as important as economic construction, incorporate population control with their local national economic and social development plans, and take effective measures to make sure the population plans are achieved. All relevant departments must consider it their unshirkable responsibility to follow through with the national policy on planned parenthood. We must also attach importance to the roles played by planned parenthood associations, trade unions, communist youth leagues, women's federations, and other mass organizations. Whenever a department draws up its social and economic policies and regulations, it should make sure these policies and regulations can promote late marriage and late childbirth, and guide women to give birth to fewer but healthier babies.

Li Peng said that, under the leadership of party committees and governments, all relevant departments and mass organizations should earnestly discharge their responsibilities in controlling the population and promoting planned parenthood, give full rein to their respective strengths, map out practical measures, and work together in promoting planned parenthood.

Li Peng stressed: While promoting planned parenthood in the rural areas, we should also promote planned parenthood throughout the floating population. While carrying out urban reforms and establishing a modern business system, cities should improve and tighten their operations in promoting planned parenthood, retain the number of family planning institutions, stabilize the number of their staff workers, gradually increase the budgets for planned parenthood operations in accordance with actual needs and availability of financial resources, institutionalize the system, and make sure that the expenditures will increase steadily.

Present at the forum were Chen Xitong, Huang Ju, Xie Fei, Chen Muhua, and Luo Gan; principal persons in charge from all provinces, autonomous regions, municipalities directly under the central government's jurisdiction, central state organs, the Liberation Army, and the People's Armed Police Forces; and persons in charge of planned parenthood departments.

#### **Jiang Zemin Orders Crackdown on Triad Gangs**

HK1504060695 Hong Kong SOUTH CHINA  
MORNING POST in English 15 Apr 95 p 6

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] Beijing has launched a crack-down on triads, seen as the most serious threat nationwide to stability and the rule of the party. Sources said yesterday President Jiang Zemin had ordered the eradication of underworld gangs be given top priority. Mr Jiang told an internal conference that triad activities should be "nipped in the bud".

The blitz on the underworld, which will continue into the summer, is being coordinated by the Ministry of Public Security and other units including the International Criminal Police Organisation.

The head of the organisation, Zhu Entao, reportedly said that triad chiefs should be shot and otherwise handled "without mercy". A recent swoop in the Shaoyuan area of Hunan province unearthed 1,110 underground gangs, most of which had triad affiliations. More than 3,000 of the 3,963 alleged triad members investigated were given stiff sentences. Forty-seven dragonheads [gang leaders] were executed.

Police said that major triad gangs in Hong Kong, Taiwan and overseas Chinese communities had infiltrated the mainland. They include such big names as the 14K and Wo Shing Wo of Hong Kong and the Bamboo Gang and Tiandao Alliance of Taiwan. Affiliates of the Japanese gang Yakuza were also active in Shenzhen.

The extent of triad influence was evident from a recent investigation of 139 karaoke bars in Shenzhen. Thirty-two of the 52 facilities in the Special Economic Zone run by foreign and Hong Kong businessmen were found to have triad connections.

The authorities are alarmed about the large numbers of young triad members, who make up 70 per cent of new recruits in many cities. An internal report warned that in Taiwan, the Bamboo Gang and the Four Seas Gang had concentrated their recruitment drives on students and young workers.

Beijing is also wary of Hong Kong triads who are seeking refuge in other countries and regions in the runup to 1997. Intelligence units in the Ministry of Public Security have pointed out that the underworld bosses had made preparations for the changeover of sovereignty by moving to Taiwanese and Chinese communities in the United States, Europe, Australia and Canada.

Many Hong Kong groups established footholds on the mainland in the early 1980s. An earlier report revealed that from 1986 to 1990, Hong Kong and local triad elements set up more than 50 rings in Guangdong cities, including Guangzhou, Shenzhen, Zhuhai, Foshan and Shaoguan.

In rural areas, triad societies have formed "strategic alliances" with clans and underground units based on cults and feudal superstitions. According to police, triads specialise in areas including drugs, prostitution, smuggling, gun-running, extortion, illegal gambling and loan sharking.

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**Qiao Shi, Others Address People's Congress Forum**

OW1404111695 Beijing XINHUA Domestic Service in Chinese 0832 GMT 19 Mar 95

[By RENMIN RIBAO reporter Yang Zhenwu (2799 2182 2976) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 19 Mar (XINHUA)—On 19 March, a forum of provincial, autonomous regional, and municipal people's congress standing committee chairmen was held in Beijing. The forum participants called for conscientiously studying and implementing the guidelines of the Third Session of the Eighth National People's Congress [NPC] in light of the realities in the work of people's congresses and effectively strengthening the construction of socialist democracy and the legal system.

Qiao Shi, NPC Standing Committee chairman, attended and spoke at the forum. He said: The Third Session of the Eighth NPC was a success and achieved the anticipated results. In carrying out the work of people's congresses, the most important thing is to perform duties strictly according to the provisions in the Constitution. People's congresses at all levels should enlist as much leadership as possible from the party committees, while party committees at all levels should attach great importance to and should support the work of people's congresses.

Vice chairman Tian Jiyun chaired the forum, which was attended by vice chairmen Wang Hanbin, Ni Zhifu, Chen Muhua, Li Ximing, and Wang Bingqian. Secretary general Cao Zhi spoke on ways and means to effectively carry out the NPC Standing Committee's work for this year.

Cao Zhi said: Last year the NPC Standing Committee formulated a five-year legislation plan, while the local people's congresses also drew up their own legislation plans according to the actual conditions of each locality. Owing to the joint efforts by all, China has achieved remarkable results in enacting laws and tangible progress in building up the legal system over the past two years. He added: This year is the third year of the Eighth NPC, a crucial year for setting up a general framework of the socialist market economic legal system during the current NPC term. To quicken the pace and enhance the quality of legislation, it is imperative to pay close attention to the following aspects of work: In drafting laws, we must proceed from the overall national interests and the fundamental interests of the people, not from the local interests, and must not unduly emphasize the interests and powers of departments; in drafting laws, we must use the Chinese Constitution as the basis and converge them with the existing laws; we must proceed from the realities in seizing the opportunity to enact laws; and we must adopt effective measures to further improve the quality of deliberating draft laws.

Discussing inspection and supervision of law enforcement, Cao Zhi said: This year the NPC Standing Committee will continue to attach as much importance to inspection and supervision as to legislation. At present, failure to observe the laws, to strictly enforce them, and to punish lawbreakers remains a serious problem that has seriously undermined the dignity and authority of the laws. How to guarantee the strict enforcement of laws is an outstanding problem in building up the legal system. The people's congresses should endeavor to ensure a good job in inspecting and supervising law enforcement. He added: To enhance the results in inspecting law enforcement, we should study new circumstances and new problems cropping up in the course of implementing the laws. In inspecting law enforcement, we should coordinate units at higher and lower levels, tackle key areas, and stress actual results.

Cao Zhi held: In recent years, the local people's congresses and their standing committees have enthusiastically explored ways and accumulated useful experiences in conducting inspections of law enforcement. A few years ago, some local people's congresses organized county and township deputies to appraise the work of grass-roots administrative units. This practice was later gradually developed to the appraisal of work of relevant departments, courts, and procuratorates of local governments. Quite a few local people's congresses also appraised the performance of government functionaries elected and appointed by state power organs, thereby prompting state functionaries to improve their work. Facts have proved that this is a good method developed by the local people's congresses for promoting socialist democracy, as well as an important way for deputies to exercise supervision as part of their duties, and a crucial measure for forging close ties with the masses and promoting clean government. We should gradually standardize and systematize the method of supervision, which has proved to be effective, through working out meticulous plans, emphasizing actual benefits, and constantly summing up experiences.

Cao Zhi said: Ensuring good publicity and education of the legal system is essential for enhancing the awareness of laws among all people and for administering the country according to the laws. Publicity and education of the legal system will continue to be a major task this year. We will organize Standing Committee members and office cadres to study law, and make adequate preparations for the Third Five-Year Plan on Popularizing Legal Knowledge. On the work of popularizing legal knowledge, he said: We have adopted resolutions on the first two Five-Year Plans. This year, the NPC Standing Committee will adopt another resolution on the Third Five-Year Plan. The Third Five-Year Plan will, on the basis of summarizing the past experiences and in view of the current practical needs, emphasize the study of laws related to the socialist market economy by leading and law enforcement cadres.

Cao Zhi said: The NPC Standing Committee will further broaden the channels for increasing contacts with the

local people's congress standing committees. He said: Pursuant to the provisions in the Constitution, elections of a new term of township and town people's congresses will begin in the second half of this year. In the coming elections, we should bring democracy into full play, do things strictly according to the law, and effectively guarantee the democratic rights of voters and deputies, thereby improving the work of township and town people's congress and building up the grass-roots power organs through the coming elections.

At the forum, officials of some provincial, autonomous regional, and municipal people's congress standing committees stated opinions on ways and means to improve the work of people's congresses and to strengthen supervision of law enforcement.

The forum was also attended by deputy secretaries general of the NPC Standing Committee and officials of the NPC special committees and the Legislative Affairs Commission.

#### **Zou Jiahua on Resettling Three-Gorges Residents**

OW1504140995 Beijing XINHUA in English 1347  
GMT 15 Apr 95

[FBIS Transcribed Text] Wuxian-Sichuan, April 15 (XINHUA)—Chinese Vice Premier Zou Jiahua called on residents and officials in the Three Gorges area to work hard and be thrifty in the resettlement work, and asked other provinces to lend their support.

Zou, also the deputy director of the Three-Gorges Project Construction Committee under the State Council, presided over a four-day resettlement work meeting of the Three Gorges Project which ended yesterday in Wuxian city, in southwest China's Sichuan Province.

The Three Gorges dam project on the Chang Jiang River will displace 21 counties and cities inhabited by more than 840,000 people, and the resettlement will be important to the success of the whole project, according to Zou. But, because of the backwardness of the area, the resettlement will be difficult.

He asked local officials to carefully handle the issue because it involves the immediate interests of the people to be resettled. The resettlement should create a stable environment to make the project efficient.

The dam will be built by 1997, so local people should not only be moved out before that time, but also be settled, productive, and stable. "It is an urgent task," Zou said, adding that it will also create new opportunities for developing economy in the reservoir regions.

Zou said that no fees should be charged for the construction of the settlements. He asked Sichuan and Hubei Provinces, in which the Three Gorges project is located, to investigate and to act on accusations of unauthorized charges. The State Council has ordered each province or

municipality to aid one county needing to be moved, and Zou stressed the importance of using the resettlement funds well.

He urged local governments in the reservoir area to seize the opportunity to develop their local economy and pay attention to pollution control and environmental protection.

During the meeting, Zou visited some new settlements in Wuxian city and held discussions with the representatives from counties in the area.

#### **Tian Jiyun Inspects Guangdong Province 7-16 Apr**

OW1604162195 Beijing XINHUA in English 1522  
GMT 16 Apr 95

[FBIS Transcribed Text] Guangzhou, April 16 (XINHUA)—Tian Jiyun, Vice-Chairman of the Standing Committee of the National People's Congress (NPC), concluded his ten-day inspection tour of south China's Guangdong province here today.

During his inspection visit to the two cities of Guangzhou and Shenzhen, he urged people's congresses at various levels to do well the work on legislation and supervision of the implementation of laws so as to promote the establishment of a democratic legal system in the country.

Tian, who is also a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), added that the establishment of the democratic legal system cannot be acted [upon] with undue haste and should be done in a planned way under the leadership.

He noted that the National People's Congress has made great achievements last year in supervising the implementation of the Agriculture Law, the Anti Unfair Competition Law and the Law on Protection of Consumers' Rights and Interests.

#### **Legislation Passed To Protect Historical Cities**

OW1704073695 Beijing XINHUA in English 0717  
GMT 17 Apr 95

[FBIS Transcribed Text] Beijing, April 17 (XINHUA)—The Chinese Government has decided to use the law to better protect historical and cultural cities, according to the Ministry of Construction.

The State Council, China's highest administrative body, has so far announced three groups of 99 historical and cultural cities receiving special protection.

Among them are the ancient capital cities of Beijing, Xian in northwest China's Shaanxi Province, and Luoyang in central China's Henan Province, the scenic cities of Guilin in the Guangxi Zhuang Autonomous Region and the lake city of Hangzhou, the capital of east China's Zhejiang Province. Also included are the cities of Yan'an in Shaanxi Province and Zunyi in southwest

China's Guizhou Province, both of which are important places in the history of the Chinese Revolution, and Shexian County in Anhui Province, known for its unique scenery.

An official with the Construction Ministry said that the Chinese Government has specific measures protecting these cities, one of which is that plans for the protection of the cities are subject to approval by the Ministry of Construction and the State Bureau of Cultural Relics.

Moreover, plans for the protection of provincial capitals, cities directly under the central government, and well-known scenic cities, such as Beijing, Xian, and the garden city of Suzhou in Jiangsu Province, are subject to approval by the State Council, he added.

Governments of many historical and cultural cities have also formulated regulations to protect local historical relics and scenic spots.

"Over the past few years the Chinese Government has appropriated enormous amounts of money to repair and protect relics," the official explained.

As a result, the Potala Palace, the most magnificent building in Tibet's capital, Lhasa, and the ancient wall around Xian have been renovated, while the water quality in the renowned West Lake has been improved.

The Law for the Protection of Cultural Relics was promulgated in 1982 and the City Planning Law in 1989, in a bid to improve the protection of historic cities.

The official said that the Ministry of Construction of the State Bureau of Cultural Relics is now drafting the Regulations Governing the Protection of Historic and Cultural Cities.

Later this year the Ministry will issue a white paper on the protection of such cities in China, he said, adding that it will outline the manner in which such cities are to be protected and what China's policies in this will be in the future.

A National Committee for the Protection of Historic and Cultural Cities has been set up by the Ministry and the State Bureau of Cultural Relics to oversee protective work throughout the country, he added.

#### **Circular Urges Learning From Model Cadre**

OW1404144495 Beijing XINHUA in English 1426  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—The Chinese Communist Party's Central Committee issued a circular today, urging Party members and officials across the country to learn from a new model cadre, Kong Fansen, a Han official who worked for years in Tibet.

The circular was issued by the Organization Department and the Propaganda Department of the CPC Central Committee. It urges all Party members and officials to

learn from Kong's spirit of taking the interests of all into account, his selfless devotion, his loving and serving the people wholeheartedly, working hard, and honest but with a down-to-earth and engaging manner.

Kong was born in 1944 and raised in Liaocheng City in east China's Shandong Province. He became secretary of the Ngari Prefecture Party Committee after having served as deputy Party secretary at the county level in Shandong, and deputy mayor of Lhasa, the capital city of Tibet.

He worked for eight years in Tibet before being killed in a traffic accident on November 29, 1994 en route to the Xinjiang Uygur Autonomous Region for a tour.

The joint circular praised him as a model in many ways and said that learning from him is of great significance in helping Party members and officials strengthen their Party spirit, improve their sense of responsibility in building socialism with Chinese characteristics, in improving their work and their connection with the broad masses of people.

#### **CPC Document Warns Against 'Infiltration'**

HK1504060295 Hong Kong LIEN HO PAO in Chinese  
15 Apr 95 p 1

[Report by staff reporter from Hong Kong: "Beijing Issues Document Demanding Strict Precautions Against the Infiltration of Democracy, Warning of Imminent Major Events"]

[FBIS Translated Text] The CPC Central Committee issued a document in the wake of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] held last month, demanding vigilance against the infiltration of international anti-China forces into mainland China, especially against their seduction and ideological corruption of senior government officials and senior intellectuals. In addition, the document emphasizes the need to make preparations for some major imminent event this year. The document is currently being relayed down all the levels of the hierarchy.

According to a well-informed source in Beijing, the CPC document in question states that anti-Chinese forces headed by the United States have risen recently and cites the activities of the U.S.-based Democratic China Alliance [min zhu zhong guo tong meng 3046 0031 0022 0948 0681 4145] in infiltrating mainland China. The document says it is imperative to guard against three types of offensive moves of anti-communist, anti-socialist forces against the PRC: First, economic restriction through investment in the mainland; second, bewildering party cadres and intellectuals with propaganda in favor of liberal democratic concepts; and third, creating disputes through collusion of forces from within and without.



The well-informed source said that the document in question did not mention "peaceful evolution" but in substance was identical to the remarks Jiang Zemin made on opposing "peaceful evolution" when he first came into power in 1989. The document lay greater emphasis on senior officials and intellectuals, reminding them to be especially vigilant.

The source believed that three factors contributed to the presentation of the document: First, the unbridled criticism and "disobedience" in voting displayed by some deputies to the NPC and CPPCC members during the "two sessions" as well as the different voices heard from some senior official on public occasions. All this has bitterly disappointed the core of the third-generation leadership, thus their hope for enhancing a sense of foreign aggression to eliminate internal disturbances.

Second, there were signs that the Democratic China Alliance was sneaking back to the mainland; with such sensitive dates as "4 May," and "4 June" approaching, the central authorities are getting increasingly nervous.

Third, Deng Xiaoping's condition is worsening, and there is no possibility of his recovery; the central authorities have no choice but to strengthen political awareness to command the "feudal princes [zhu hou 6175 0185]."

The source said that the document did not specify the imminent "major event" to take place this year, which is generally believed to refer to Deng Xiaoping's death. In the wake of CPC veteran leader Chen Yun's death, Beijing seemed to maintain its superficial peace and calmness, and the top-levels have either continued their visits abroad or have gone down to some provinces and cities on inspection tours; however, the view of some foreign observers that Chen's death would help the reformist school may not be totally correct, for the conservative school may become increasingly united to protect themselves. Should it be Deng's turn to pass away, it is likely that it would be difficult to maintain this superficial peace and calmness. The effects of the social mass movements that took shape during the mourning of Hu Yaobang in 1989 and the mourning of Zhou Enlai in 1976 were not confined to those specific moments and will go beyond a single generation.

**Senior Officials To Learn Computer Operations**  
OW1604073195 Beijing XINHUA in English 0701  
GMT 16 Apr 95

[FBIS Transcribed Text] Beijing, April 16 (XINHUA)—China will hold training classes of computer operations for senior officials in governments at all levels in Beijing starting next month.

Aimed to promote efficiency in office work and management, this program will be implemented for a whole year, said an official of the China Scientific and Technological Association.

He said that hundreds of administrative leaders under the age of 50 will learn to operate computers and other related modern office equipment.

Some officials who have never touched computers before will learn how to operate them, he added.

The China Science and Technology Exhibition Center will offer classrooms and teachers.

**Procuratorate To Focus on 5 Types of Cases**  
OW1604164595 Beijing XINHUA in English 1444  
GMT 16 Apr 95

[FBIS Transcribed Text] Haikou, April 16 (XINHUA)—China's procuratorate departments were urged today to continue to concentrate their efforts on investigating and dealing with five major types of cases in the next period.

These cases are fraudulent practices for the benefits of friends or relatives, dereliction of duty, major accidents due to negligence, extortion confessions by torture and illegal detainment.

Addressing the closing session of the National Conference of Procuratorate Departments here today, Zhao Hong, deputy procurator-general of the Supreme People's Procuratorate, said the infringement of power and dereliction of duty by government functionaries, especially fraudulent practices by justice and law enforcement departments, are glaring examples of corruption.

To punish such crimes, he said, is an important part and important means of the Chinese procuratorate departments to fight against corruption, safeguard the authority of the central government, and guarantee the establishment and development of a socialist market economic system.

Zhao also urged procuratorate department of various levels to pay close attention to procuratorate work in justice and law enforcement departments. Procurator-generals of various localities, he said, should join in investigations into major cases so as to deal with them accurately and resolutely.

**World Meeting on Rural Women Opens in Beijing**  
OW1404141895 Beijing XINHUA in English 1400  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—An international conference on rural women is being held from April 11 to 15 in Beijing's Agricultural University.

Woman delegates from more than 20 provinces, autonomous regions, and municipalities, and Chinese and foreign experts have attended the event, which was sponsored by the International Center of Rural Development at the university and the Thailand Asian Institute of Technology.



The theme of the five-day event is the current situation of China's rural development, population, and women and the environment and employment.

Participants urged developing countries to make a greater effort to understand the life of rural women and to listen to their opinions in planning rural development, to give them a role in agricultural production and rural development.

### Science & Technology

#### Li Peng Meets With Outstanding Young Scientists

OW1404143795 Beijing XINHUA in English 1411  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Premier Li Peng met with 49 young scientists here today and said that the Party and the government have high hopes for them, and that they should make a concerted effort to advance China's science and technology.

The 49 scientists, all of whom were given a national award for outstanding achievement, include Ph.D.s and M.S.s from China, returned overseas students, and self-study scholars from across the nation.

With an average age of 37 years old, they were encouraged to do research in many major fields, such as agriculture, industry, resources, and the environment.

In addition, he urged them to continue to make contributions to basic sciences and pioneering research so that they lead the world with their contributions.

#### Symposium Focuses on Man-Made Disasters

HK1604064095 Beijing CHINA DAILY in English 15  
Apr 95 p 1

[By Yang Yingshi: "Seminar Warns of Hazards"]

[FBIS Transcribed Text] China will make greater efforts to prevent and control geological hazards in the next few years, according to experts attending a national academic symposium yesterday in Beijing.

Scholars and officials at the four-day symposium sponsored by the China Geological Hazards Research Society said China is facing intensifying geological hazards in the coming years, as a result of natural activities and man-made environmental destruction.

More than half of the geological disasters in China can be blamed on human neglect, they said.

The State has mapped out a 10-year programme to prevent and control geological hazards of national significance.

More than 100 projects have been launched across the country and they are expected to reduce losses, the conference was told.

The State will pay more attention to forecasting, preventing and controlling sudden disasters such as rockfalls, landslides and mudflows.

Experts said more than half of the disasters in China are caused by human activities such as improper mining and neglect of geological protection.

Last year, the Wujiang River, a branch in the upper reaches of the Yangtze River, was blocked by the debris of a rockfall, disrupting normal navigation in the waterway and directly causing tens of millions of yuan in economic loss.

China, which is affected by 35 per cent of the world's recorded earthquakes, has witnessed more than 1,000 destructive tremors.

More than 610,000 Chinese people have died in earthquakes since the beginning of this century.

There are more than 410,000 sites of rockfalls, landslides and mudflows in China—and an annual average of 928 people are killed in these hazards.

More than 3,000 kilometres of rail lines are threatened by 1,400 mudflows.

Each year, economic losses of between 3.3 billion and 3.6 billion yuan (\$392 million and \$428 million) are caused by rockfalls landslides and mudflows.

Up to 50,000 square kilometres in 16 provinces, municipalities and autonomous regions are in danger of ground subsidence, especially in Shanghai, Tianjin, Jiangsu, Zhejiang and Shaanxi, the symposium heard.

The country's desert areas have reached 1.53 million square kilometres—and are still expanding, causing 4.5 billion yuan in annual economic loss.

These deserts pose an increasing danger to people's life and property, geologists said at the seminar.

#### Shanghai Builds Satellite Earth Station

OW1404131495 Beijing XINHUA in English 0639  
GMT 14 Apr 95

[FBIS Transcribed Text] Shanghai, April 14 (XINHUA)—Work on a new satellite ground receiving station on the Pacific region is drawing to an end, with the installation of an antenna in this, China's biggest industrial center on Wednesday.

The station is to transmit six television programs when it starts operation June 25 this year.

So far, the city has a dozen satellite ground receiving centers covering the Pacific and Indian Ocean and most of China. These centers have 4,600 international and domestic channels.

The operation of the new station will bring the number of satellite channels Shanghai has to 7,000.

**Laboratory Claims China's First Ion Source**

OW1704045195 Beijing XINHUA in English 0241  
GMT 17 Apr 95

[FBIS Transcribed Text] Lanzhou, April 17 (XINHUA)—Chinese Scientists have successfully made the country's first Electron Cyclotron Resonance Ion Source (ECRIS).

Developed at the Lanzhou-based National Laboratory Heavy Ion Accelerator, it has, according to scientists, broad future applications.

ECRIS is one of the world's most advanced devices of its kind, and has a number of advantages over previous ones, with a stronger beam, less loss of energy, and smaller angle of beam emission, a longer cycle, stability over repeated use, and produces an ion beam in different gaseous and solid elements.

It has been used in short wave and laser research, using nitrogen, oxygen, and argon provided in the ion source device.

Experiments have shown that the device, using anywhere from several tens of microamps to several hundred, operates in a stable state, and can be used for research in high-charge atomic physics and many other fields.

**Military & Public Security****Beijing Secretary Speaks at Municipal Briefing****'Integrate' Public Security Work**

SK1604075595 Beijing BEIJING RIBAO in Chinese 6  
Apr 95 p 1

[FBIS Translated Text] Chen Xitong, secretary of the municipal party committee, recently attended the briefing of public security work reports given by various working committees under the municipal party committee, at which he stressed: We must upgrade our understanding on the importance of establishing, perfecting, consolidating, and improving the public security committee and must first do a good job in grasping implementation organizationally. Currently, we should vigorously and successfully grasp the central link, the public security committee, and organize the masses to implement the mass line in a down-to-earth manner. Various fronts and various districts or counties should quickly popularize the typical experience so the experience will be adopted in a timely manner. The municipality as a whole should integrate the public security work done by departments with that done by regions to form a joint force.

Since the arrangement made by the municipal party committee for the public security work, various working committees under the municipal party committee have generally carried out investigation and study in line with the arrangement and demand set by the municipal party committee. They have consolidated or built up public

security committees on the one hand and held training classes for personnel on the other hand. They have also summarized the typical experience, put forward methods for dealing with the problems of hotly debated and difficult points, and scored better results in some fields in this regard. Making a report on their work progress at the briefing were the working committees under the organs of commerce and trade, education, urban construction, agriculture, industry, and of economic and trade relations with foreign countries.

Chen Xitong stated in his speech: Since the demand put forward by the municipal authorities with regard to "resolutely doing a good job in building up the organizations of public security," the leading personnel of party and government organs at all levels have taken personal charge of the work; the development of the work has been healthy; and the situation in the work has been fine. Tasks that should be fulfilled at present are to resolutely upgrade the understanding on the importance of establishing, perfecting, consolidating, and improving the public security committee and to first do a good job in grasping implementation organizationally. The public security committee is an extremely important foundation for arousing the masses to commonly carry out prevention and management in the work. In stressing or following the mass line, we must organize the masses and generally establish the public security committee among them. Through the organization, we should arouse more masses to join in the public security work; implement in a down-to-earth manner the principle of having the masses carry out self defense; and truly give expression to the sense of having everyone join in the public security work. The power of integrating the efforts made by full-time personnel with those made by the masses in the work knows no bounds. Judging from the "foundation" of full-time personnel, the contingent of political and legal personnel, generally speaking, is fine and reliable; but its quality should be further upgraded. Judging from the "foundation" of masses, there still is a gap in implementing the mass line because the problem of understanding on the mass line has not been handled well and the masses have not been organized satisfactorily. Some units have not established their public security committee, some have not perfected their committee and even not satisfactorily brought into play the role of their committee. All of this has affected the true implementation of the integration between full-time personnel and the masses. Currently, stressing the establishment, perfection, consolidation, and improvement of the public security committee means to ram the two foundations. Doing a good job in grasping the public security committee at present represents a central link. The leading personnel of party and government organs at all levels should very firmly seize the link, the "nose of an ox," and organize the masses so as to implement the mass line in a down-to-earth manner. Otherwise, the principle of having the masses join in the prevention and

management in the public security affairs and the integration between full-time personnel and the masses will become empty talk.

Chen Xitong pointed out: Currently, the municipality as a whole is emphatically grasping the public security work. Various fronts and various districts or counties have obtained some good experiences in this regard, which should be quickly popularized. Those that can offer good experience for the work at present will certainly be regarded as "benefactors" by the acceptors. Therefore, those who are capable should share their good experiences—the earlier the better. As for some difficult points that have been dealt with by the units that have taken up the pilot work in this regard, we should popularize their experience in their regions to expedite the public security work in the municipality as a whole. Journalist units should earnestly publicize the typical experience and report the new phenomenon of public security work to boost morale. We should integrate the training of activists in the public security work with the activities to learn from Cui Daqing and Gan Lei. Efforts should be made to foster a correct world outlook and the outlook on life and value. As for the well-consolidated or established public security organizations, we should do a good job in grasping the check before acceptance to determine whether they are qualified, are good in quality, and are playing their role.

Chen Xitong stated: We should enforce the responsibility system in public security work. The municipal authorities will sign the letter of responsibility with various fronts and various districts or counties to enable them to be responsible for their own peace. Various fronts and various districts or counties should further enhance their public security work and integrate the public security work done by departments with that done by regions to form a joint force.

Also listening together to the reports at the briefing were Li Zhijian, Chen Guangwen, Wang Tong, Ouyang Wenan, Duan Bingren, and Qiang Wei.

#### **Boosting Campus Security**

SK1504084495 Beijing BEIJING RIBAO in Chinese 29 Mar 95 pp 1, 4

[FBIS Translated Excerpt] Chen Xitong, secretary of the municipal party committee, went to Qinghua University to hear the briefing on the public security work given by the university on the morning of 28 March. He stressed at the briefing that the first leading personnel of party and government organs should take personal charge of the public security work, earnestly implement the party's mass line, and mobilize the masses to conduct self defense. Li Zhijian, deputy secretary of the municipal party committee, also attended the briefing.

Qinghua University has attached great importance on public security work and upheld the integration between full-time personnel and the masses and the principle of

pooling the wisdom and efforts of everyone in carrying out prevention and management. The number of campus criminal cases in 1994 showed a slight decrease over 1993. The university established the committee for comprehensive management of campus security and order, composed of responsible personnel of various relevant departments and whose chairman and vice chairmen are leaders of the university party committee and administrative offices. Various departments and units under or affiliated with the university established their leading group for the comprehensive management of public security and their voluntary fire fighting team. Various departments also established their public security society of students. The nine neighborhood committees in the university also set up the public security committee of their own. In 1987 the university specially set up public security student service teams, which come under the guidance of police officers from the campus police booths and which are responsible for helping the relevant departments of the university do a good job in maintaining public order in the teaching areas as well as in the living, cultural, and recreation areas of students. According to statistics, each year, about 4,000 students join the public security service. Under the assistance of students' service teams over the past eight years, 86 persons were arrested by the public security organs. Of these persons, some were put into the labor reformatory; some were detained; and some were given fines. More than 400 bicycles were returned to their owners and small fires were extinguished. These students' service teams have also enthusiastically done good deeds for the masses and there are almost 100 good deeds done by them each year. Students participating in the services have toughened and upgraded their ideology, fostered a sense of being the master of their own affairs and of everyone being responsible for maintaining the campus security, enhanced their sense of abiding by the law and their concept of discipline, and carried forward the spirit of making contributions and serving people. Over the past few years, the students' public security service teams were successively commended by the municipal public security departments and more than 50 students have been commended by them over the past eight years. [passage omitted]

Chen Xitong stated: Boosting the public security work of university campuses is a most important task. Failure in this regard will affect political stability, social peace, and teaching. The main reasons for why Qinghua University has successfully grasped the work and why its experience has been relatively ripe are as follows: The leadership attached great importance to the work. The university's public security network and systems have been virtually perfect. The university enforced the principle of pooling the wisdom and efforts of everyone in prevention and management. In particular, the students' service teams have done a good job in public security work. This represents a form of having the masses protect themselves. This fostering of another form of self defense is permissible. The university has a set of systems in relying



on the masses to protect itself and has also signed a letter of responsibility with the masses. In line with the changes in the situation, it is necessary to revise the letter of responsibility to enable it to conform with reality. It is hoped that Qinghua University will further discover its work shortcomings, check for hidden dangers, and deal with them one by one so as to better conduct its public security work. We should earnestly summarize and popularize the experience gained by Qinghua to expedite the public security work in the higher educational institutions across the municipality.

Chen Xitong pointed out: To successfully conduct public security work among higher educational institutions, the party secretary and president of these institutions must be responsible for the work and the first leading personnel of their party and administrative organs must take personal charge of the work. The secretary of the party committee under these institutions should pay more attention to the work. Schools must make all-out efforts to safeguard political stability and social peace. In appraising the work done by universities, we should first appraise their public security work. He stated: The public security work represents a hotly debated or difficult point. The masses require an environment in which they can live and work in peace and contentment. Success in public security work is compatible with the sentiment of the people and conforms with their will. Just as campus peace should be ensured by the party secretary and the president of universities, the chairman of neighborhood committees, the director of plants, and the head of villages should ensure the peace of their domains. All of this is included in leadership duties. Leading personnel who cannot maintain peace in their own localities are not qualified for their posts. We should establish strict responsibility systems for the work, sign letters of responsibility in this regard, integrate the work of departments with that of regions, and regard the work of regions as a mainstay. Various localities and units should enhance their public security work in line with their reality. In appraising and selecting advanced units, those that have not done well in public security work should be thoroughly voted down and those that have committed serious problems should be called to account.

Chen Xitong stressed: We should earnestly implement the party's mass line and mobilize the masses to protect themselves. This does not contradict bringing into play the role of public security, political, and legal organs. Power resulting from the integration of full-time personnel and the masses knows no bounds. In grasping public security work, the party and the government should do a good job in grasping the affairs of the contingent of political and legal personnel and they must also mobilize the masses in this regard and integrate the two foundations of full-time personnel and the masses. To successfully conduct public security, we should rely on the contingent of political and legal personnel and even on the masses. Otherwise, we will not be able to budge in this regard. Only by ensuring that both full-time personnel and the masses are keeping a close watch on

delinquents after the masses are mobilized can we make a success of social peace. In dealing with problems in which the masses have not been thoroughly relied upon in the work, we should foster a sense of self defense among the masses and organize the masses so as to truly bring into play the role of pooling the wisdom and efforts of everyone in carrying out prevention and management so as to rally together to attack felons with the support of full-time personnel. Party organizations and leadership at all levels across the municipality should make the big decision of taking personal charge of the work and earnestly grasp the work. They will surely find ways to boost the public security work.

Also present at the briefing were Duan Bingren, member of the municipal party standing committee, and Zhao Cheng, assistant to the mayor.

### **Zhang Zhen Inspects Jiangsu, Shanghai**

OW1704102595 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 16 Apr 95

[Announcer-read report over video; from the "National News Hookup" program]

[FBIS Translated Text] During an investigative study of the ground, naval, and air forces and armed police units stationed in Jiangsu and Shanghai, General Zhang Zhen, who is the vice chairman of the Central Military Commission [CMC], emphatically pointed out: Under the new situation of reform and opening up and of developing a socialist market economy, units at all levels, in line with CMC Chairman Jiang Zemin's requirement, should pay close attention to the education in patriotism and dedication, in the revolutionary outlook on life, in respecting cadres and cherishing soldiers, and in plain living and hard work; and should build up the troops ideologically and politically so as to ensure that they always obey the party's orders and are capable of standing up to the test of any storm. He said: All units should strengthen military training for troops and should pay close attention to improving their material and cultural life while going all out to promote ideological and political building. At present, particular attention must be paid to promoting agricultural and sideline production and to raising troops' living standards. At No. 1 Company of a regiment, Vice Chairman Zhang Zhen watched a soldiers' general meeting. At the Good Eighth Company on Nanjing Road, he observed the company party branch's general meeting for newly recruited party members, and attended a discussion with party members of the company.

### **Inner Mongolia Cracks Tax Receipts Forgery Case**

SK1404233895 Hohhot NEIMENGGU RIBAO in  
Chinese 13 Mar 95 p 1

[FBIS Translated Text] The police team of the Baotou city public security bureau recently cracked an extraordinarily serious case of added value tax receipts forgery,

arrested criminals Duan Zhipeng and Wang Jing, and confiscated 520,000 yuan of stolen money and some blank added value tax bills.

At the end of 1994, when investigating the taxes of the scrap steel section of the Baotou Iron and Steel Company, the investigation section of the state tax bureau of Baotou city found that the numbers of two Inner Mongolia added value tax receipts were exactly the same. Upon examination, one was found to be a forged receipt. The forged receipt involved 58,634.02 yuan of value added taxes for marketing of 349,005.98 yuan worth of goods.

After receiving the report on 12 February, with the great assistance of the state tax bureau, the No. 1 police team of the Baotou city public security organ immediately organized a special group to conduct investigations in cooperation with some departments concerned. After nine days of investigations, at 1200 on 21 February, the city public security bureau arrested on the spot criminal Duan Zhipeng and his paramour Wang Jing, who were preparing to abscond with the money and confiscated cash, totaling 520,000 yuan, and some blank value added tax bills.

This case is under further investigation.

### General

#### Vice Premier Inspects Enterprises in Sichuan

SK1504004395 Beijing XINHUA Domestic Service in Chinese 1938 GMT 12 Apr 95

[By reporter Jiang Peng (5592 7720)]

[FBIS Translated Text] Chengdu, 12 April (XINHUA)—Zuo Jiahua, member of the CPC Central Committee's Political Bureau and vice premier of the State Council, pointed out during his inspection tours made in Sichuan Province from 4 to 10 April that the state-owned enterprises may be boosted or enlivened and that China should have the large enterprise groups of its own.

Zuo Jiahua and his entourage looked into some large military industrial enterprises—including the Changhong Electronic Group, the Jialing Group Corporation, the Construction Industrial Group, and the Changan Bus Company Ltd. Through the arduous pioneering work done over the past dozen years, these enterprises have taken the lead in turning their military production into civilian one and developed into an enterprise group with strong economic strength. Zuo Jiahua fully acknowledged the achievements scored by these enterprises and put forward that it is necessary to earnestly summarize or popularize the experience gained by them. He stated: The development process of these enterprises—including the Changhong Electronic Group—has shown that the principle of turning the military production into civilian one is correct. The more they have shifted their production, the more they have become initiative. Meanwhile, it has shown that the state-owned enterprises may be completely boosted. China must have large enterprise groups of its own. In opening enterprise groups, it is not necessary to confine the establishment in a certain province and we may establish transprovincial groups.

During his inspection tours, Zuo Jiahua sponsored many forums with the responsible personnel of enterprises, at which he repeatedly stressed that to run well the enterprises, it is imperative to do things in line with the economic law and to earnestly and successfully grasp the following several basic tasks:

1. We should foster the sense of markets and turn out products enjoy brisk sales in line with the market demand. This represents a most fundamental principle for running well the enterprises after entering the socialist market economy. Demands for social production and life are multiple and also incur steady changes. Therefore, enterprises should enhance their investigation and analysis over markets; frequently study the new changes and prospects of markets; and become suitable to the demands of markets. Meanwhile, they should vigorously enhance their work in selling their products; reinforce the sale link; and make efforts to seek purchase orders at both domestic and foreign markets.

2. Attention should be paid to the work of technical renovations. Enterprises should achieve in conducting technical renovations each year and making new input in renovations each year.

3. Except for the loans, enterprises should vigorously achieve in having their self-possessed funds occupy a rational proportion among their circulation funds.

After hearing the briefing on the economic work given by the Sichuan Provincial Party Committee and the provincial people's government, Zuo Jiahua particularly stressed that we should attach great importance to agriculture, peasants, and the rural work. He stated: Sichuan is a large province of the country, which chiefly engages in agricultural production, and has been called "the land of plenty" throughout history. It has very favorable foundation and condition for developing agriculture and has large development potential. By failing to boost agriculture, Sichuan Province with such a large population will not be able to establish a stable economic foundation and not be able to purchase enough grains though it has had money. Therefore, it should not neglect agriculture and grain production at any time.

As for the plans formulated by Sichuan for building the key projects of infrastructures in the future, Zuo Jiahua pointed out: It is necessary to first define the rationality and scientific nature of key construction projects as well as to carry out planning and to achieve a balance in line with the situation in the province or the country as a whole. Every project must be appraised from the angles of markets, natural resources, and transportation. By proceeding from the long-term development, it is necessary for Sichuan being a provincial level accounting unit to think of the projects more carefully and on a more overall and far-reaching basis. However, in view of the fiscal year and of the period for drawing up plans, it is necessary or possible for us to successfully carry out combination and balance among these projects. Only by so doing can we score practical results. In line with the principle of doing what we are capable of and of doing our best, we should arrange the fixed projects into an order and build them one by one according to the financial strength. In fact, it is impossible for us to try to make contributions in one advantageous project whose investment has surpassed the state actual strength.

Accompanying Zuo Jiahua in the inspection tours made in Chengdu, Deyang, Mianyang, and Chongqing were responsible personnel from the State Planning Commission; the Three Gorges Project Construction Office under the State Council; the Commission of Science, Technology, and Industry for National Defense; and the Ministry of Electronics Industry; as well as Xiao Yang, governor of Sichuan Province.

#### Political Bureau's Tian Jiyun Inspects Sichuan

OW1704055495 Beijing XINHUA Domestic Service in Chinese 0850 GMT 8 Apr 95

[By reporter Ren Luo (0117 3794)]

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[FBIS Translated Text] Chengdu, 8 Apr (XINHUA)—Tian Jiyun, member of the CPC Central Committee Political Bureau and vice chairman of the National People's Congress Standing Committee, pointed out during his recent inspection of Sichuan: Great efforts should be made to develop the rural economy according to local conditions. The only way to develop the rural economy is to let some rural people become rich first, so they can help others become well-off and eventually achieve common prosperity.

The inspection tour lasted from 25 March to 7 April. Tian Jiyun first heard work briefings presented by Sichuan Provincial Party Committee Secretary Xie Shijie, Governor Xiao Yang, and Chairman of the Provincial People's Congress Standing Committee Yang Xizong. Then, he successively inspected the Chengdu Economic and Technological Development Zone, the Xinjin Private Economy Experimental Zone, some village and town enterprises, and the comprehensive agricultural development project in Longquanyi District of Chengdu City. He visited some peasant families and inquired in detail about their production and livelihood.

In Xinjin County, Tian Jiyun inspected the Xiwang Group, a well-known private enterprise in China. Tian Jiyun was pleased to know the group produces 1.2 million metric tons of fodder with an output value of 1.7 billion yuan annually and employs more than 10,000 workers; and, it has helped local peasants embark on the road to prosperity. He said the development of the Xiwang Group has made the local rural economy prosper, created many jobs for the rural surplus labor force, contributed to increasing state revenue, and trained technical personnel for rural areas. Liu Yonghao, president of the Xiwang Group, told Tian the group has put most of its earnings into reinvestment and are helping local peasants embark on the road of common prosperity. Tian Jiyun pointed out: We should persistently let some people become rich first; and then, the crucial thing to do is make those who become rich first help other people become well-off and finally achieve common prosperity. This is the only way to develop the rural economy during the primary stage of socialism.

Longquanyi District in Chengdu City took advantage of low hills in the district to develop agriculture and made great efforts to develop fruit cultivation and aquaculture. It has turned barren hilly land into orchards and taken the road of comprehensive development of agricultural resources. Tian Jiyun affirmed its practices. He said: In order to develop the rural economy and lead the peasants in becoming well-off, it is necessary to take advantage of local conditions and explore a suitable way in agricultural development. He said: Efforts should be made to promote the intensive processing of agricultural products; develop an integrated operation of production; supply and marketing; and to sell special local products across the country and even on the international market.

**State Property Official Views Natural Resources**  
*OW1604103395 Beijing XINHUA Domestic Service in Chinese 1045 GMT 28 Mar 95*

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 28 Mar (XINHUA)—China is a rich country in terms of natural resources, yet those resources are not unlimited. Pan Yue, deputy director of the National Administration of State Property, recently cited some figures and data on China's advantages and disadvantages in terms of natural resources at a national conference on state-owned resource assets.

On the one hand, the favorable conditions of China's natural resources include the following: China's total size ranks third in the world, her total acreage of grassland ranks first in the world, the potential value of her mineral resources ranks third in the world, her water resources rank sixth in the world, her hydraulic energy potential ranks first in world, and her forest resources rank fifth in the world.

On the other hand, owing to the fact that China has a population of 1.2 billion, or 22 percent of the world's population, China is a country with poor natural resources in terms of per capita possession of natural resources, much lower than the world's average. According to the statistics of 1992, China's per capita land area is only one-fifth of the world's average; China's per capita mineral resources are less than half of the world's average, China's water resources are approximately one-fourth of the world's average; and China's per capita forest reserve is only about one-tenth of the world's average.

With the development of the socialist economy, the problem of supply and demand of natural resources in our country has become increasingly sharp. For instance, in 1993, China's total farmland was reduced by 6 million mu; and among the 15 kinds of principal mineral resources for the development of the national economy, seven kinds are in short supply. Based on the goals of national economic development, oil reserves will be seriously inadequate by the year 2000. Besides, China will also be inadequate in the production of coal, iron ore and copper. The water shortage will be 150 billion cubic meters per annum. At present, the use of underground water has accounted for approximately 53 percent of available water resources, and forest resources will be 100 million cubic meters less each year. Owing to excessive grazing and natural disasters, some 10 million mu of forest land will become sandy wasteland each year.

In analyzing the situation of China's natural sources, Pan Yue emphatically pointed out that, from those mentioned figures, people can see that the situation of China's natural resources is quite grim. Therefore, we must formulate an appropriate strategic policy at an earlier date, carry out reform in the administration of

natural resources, intensify investment based on scientific principles and economic law, increase efficiency in tapping natural resources, and contain losses and fast consumption. Otherwise, the crisis of natural resources will become a limiting factor in China's social and economic development in the next century.

### **Nation Exploits Salt Lake To Produce Chemicals**

OW1404130895 Beijing XINHUA in English 1011  
GMT 14 Apr 95

[FBIS Transcribed Text] Xining, April 14 (XINHUA)—China has succeeded in exploiting salt lakes to produce many varieties of chemicals instead of only extracting salt as before, according to Yan Ruping, Deputy Director of the Qinghai Salt Lake Institute under the Chinese Academy of Sciences.

China is rich in salt lakes. Qinghai, Tibet, Xinjiang and Inner Mongolia alone have 731 salt lakes, each covering an area of more than one sq. Km. Salt produced here contains almost all the elements listed in the periodic table of elements.

Some 50 salt and chemical works have been built around the Qaidam Basin, Qinghai Province, in recent years. They have developed 80 kinds of salt and chemical products, some of which have been exported to the Middle East and Europe.

A number of new projects, including a potassium sulfate production with an annual production capacity of 50,000 tons and a chemical fertilizer plant with a designed capacity of 800,000 tons, are under construction at the Mahai Salt Lake in Qaidam Basin.

The Qinghai Salt Lake Institute, the largest of its kind in China, achieved 230 research findings over the past decades. Research fellows have found solutions to many technical gordian knots after a survey of salt lakes in Qaidam Basin.

The government of Qinghai is taking measures to raise the ratio of output value gained from salt production to 40 percent of its gross domestic product by the end of this century.

### **State-Owned Enterprises Need Management Accountants**

HK1704052495 Hong Kong EASTERN EXPRESS in English 17 Apr 95 p 22

[By Beverly Chau]

[FBIS Transcribed Text] China badly needs management accountants to revamp loss making state owned enterprises (SOEs) by improving production and efficiency, and reducing wastage, a London-based professional body said.

Jimmy Pun, the Hong Kong branch president of the Chartered Institute of Management Accountants (Cima),

said the concept of management accounting is still lacking among mainland enterprises. "The SOEs may well be aware of achieving the state-planned targets to produce certain amount of goods. But in the absence of cost controls this leads to the huge losses suffered by some SOEs," Pun said in an interview.

Redundancy is another serious problem. Pun said the allocation of human resources in the SOEs is inefficient—an unproductive enterprise can be the breadbasket of tens of thousands of workers. The lack of time- and financial-resource management is another contribution to weak management accounting, he said. "Every state enterprise virtually needs a management accountant," Pun said. "The concept of practising accountants is well established, but that for management accounting is still at an early stage."

China is actively boosting the number of practising accountants, who deal with companies' auditing and bookkeeping, to cope with the strong demand sparked by the rapid economic boom. However, the need for management accountants, who have a more creative role in financial planning and company strategy, is hardly, if ever, emphasised, he said.

The Chinese Institute of Certified Public Accountants organises examinations that offer recognition of the professional qualification of CPAs every year. But international professional qualifications for management accountants lag far behind. Cima's membership examination is expected to appear in China in about three years, Pun said.

To promote management accounting on the mainland, Cima is to hold seminars and workshops in Shanghai in the second half of this year, he said. The professional body is also to establish a liaison office in Beijing next year to secure closer ties with the capital. It already has two offices, in Guangzhou and Shanghai. "We set up offices in the southern cities first because they are the business hubs, where the demand for management accountants is tremendous," Pun said. Shanghai, for instance, has 10,000 Sino-foreign joint ventures. In Hong Kong, Cima has about 1,000 full members and 1,500 student members those who have yet to meet the requirements for membership.

Pun said Cima's seminars and workshops, in cooperation with Jinan University and Fudan Daxue, are the body's initial efforts to introduce the concept of management accounting to the mainland, and these would soon be promoted among SOE staff.

### **Chemical Industry Minister Outlines Plans**

HK1604070595 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Apr 95 p 6

[By Zhang Yu'an: "Minister Likes Conglomerates"]

[FBIS Transcribed Text] Chemical Minister Gu Xialian last week pledged to support the development of enterprise groups and conglomerates.

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By the end of the century, the ministry will establish: five enterprise groups, each with annual sales surpassing 10 billion yuan (\$1.19 billion); 10 conglomerates, each with annual sales of more than 5 billion yuan (\$595.2 million), and 40 companies, each with annual sales of more than 1 billion yuan (\$119 million), Gu said at an industrial management seminar.

The seminar, organized by the ministry and the State Council's Development and Research Centre, was designed to help improve industrial management to meet China's efforts to build a socialist market economy.

The enterprise groups and conglomerates are expected to promote chemical production and foreign trade of chemical products.

In 1994, chemical enterprises under the leadership of the ministry turned out 197 billion yuan (\$23.45 billion) worth of products, up 9.5 per cent over 1993, while the total imports and exports of chemical products was \$12 billion and \$8.5 billion, respectively, Gu said.

To enliven domestic firms, the ministry this year will select enterprises to experiment with modern enterprise system reform and encourage them to become limited-liability companies through enterprise takeovers, mergers and purchasing shares in other enterprises.

Moreover, some firms that have displayed great efficiency and are in line with the State industrial policy will be selected to issue A and B shares at home, or to become public companies listed in foreign stock exchanges, Gu said.

Along with improvement of the domestic economic environment and the recovery of the world economy, international and domestic markets for chemical products look rosy this year, she said.

Because this year is a peak period for chemical project construction in China, those will be favourable factors for chemical production this year.

Under the new circumstances of the economic development efforts should be made to break through the limits of different industries to develop the "large chemical industry," she said.

After more than four decades of development, China's chemical industry can produce more than 40,000 products, but under the present economic system, chemical production involves more than 19 ministries, administrations and State-level companies.

Separate management and lack of co-ordination among government organizations caused overlapping construction of projects and inefficient use of resources.

The ministry will change the situation, Gu said.

It plans to adjust the organizational structure of enterprises to encourage development across the industry. It

will adjust technology to develop processing to increase resource use and achieve better economic returns.

In addition, the ministry plans to adjust the structure of the whole industry to promote technological advancement in the chemical industry and narrow its gap with rest of the world, Gu said.

#### **Chemical Industry Aims for 10 Percent Growth** *HK1604070695 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Apr 95 p 6*

[By Sun Hong: "Industry Aims For 10 Percent Growth"]

[FBIS Transcribed Text] The Ministry of Chemical Industry is drafting a development plan for 1996-2000 that projects the industry's annual growth rate at 10 per cent.

The plan will focus on upgrading the industry according to market demand and international standards, and will emphasize technology development, processing and raw-material production, said the Ministry of Chemical Industry.

Besides maintaining the momentum of agricultural chemical production, the ministry will try to develop petrochemicals and deep-processed chemicals in coming years.

Officials said the industry has to cope with the needs of such pillar industries as machinery electronics, automobiles and construction.

Accelerated development of high-tech chemical products and emerging chemical sectors is necessary to meet market demand for value-added products.

The government will support the development of new chemical materials, electronic chemical products, new information-recording materials, application of chemical technology in computers, biochemistry, energy-saving technology and chemical technology for environmental protection. Such producers will be given privileges in the supply of bank loans and raw materials, the officials said.

These emerging sectors are expected to constitute 5 per cent of the output of the chemical industry by 2000.

This year, the chemical industry expects its output value to reach 210 billion yuan (\$25 billion).

The ministry is organizing the construction of seven crucial projects during the five-year period, which includes projects on fertilizer, pesticides, petrochemicals, radial tyres, ion-membrane caustic soda, deep-processed chemicals and chemical production equipment.

Annual production of chemical fertilizers is expected to be 150 million tons by the end of the century, and radial tyres should make up 40 per cent of total rubber tyre production, a sharp rise over the 8 per cent of 1992.



### Science Organization Promotes Economic Cooperation

OW1404145195 Beijing XINHUA in English 1445  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—The China Association for International Science and Technology Cooperation (CAISTC) has been playing an increasingly important role in pushing for international scientific and economic cooperation.

CAISTC is a non-governmental organization which was set up three years ago by the State Science and Technology Commission, the Chinese Academy of Sciences, the China Association for Science and Technology, and the China National Natural Science Foundation.

During that time, the organization has had done much in the way of exchanges, including giving financial aid to young and middle-aged scientists and helping them to participate in international academic exchanges, organizing exhibitions, helping with field study and training abroad, and with international conferences and other activities in China.

CAISTC now has 162 members with branches in a number of different areas.

At the second meeting of the council members of CAISTC held today, 103 people were elected council members, with Hui Yongzheng, vice-minister of the State Science and Technology Commission as the honorary president, and Professor Wu Yikang as the president.

CAISTC's council members pledged themselves to giving priority to scientific and technological activities in the future, while setting up other organizations to help with business and improve consulting services.

### Nation Standardizes Advertisements by Means of Law

OW1604053495 Beijing XINHUA in English 0149  
GMT 16 Apr 95

[FBIS Transcribed Text] Chengdu, April 16 (XINHUA)—A number of newspapers in this provincial capital of southwest China's Sichuan Province have been fined several thousand yuan for carrying false advertisements recently.

Earlier this month, the city authorities looked at some 12,000 ads carried by 25 papers or radio and tv stations, and found 41 of them questionable. Of those, 21 were banned.

"It's the first step Chengdu is taking to standardize advertising, and all advertisements will have to meet the requirements set in related regulations," said an official with the commercial and industrial bureau in the city.

Advertising in China has a long way to go in improving, though in recent years it has witnessed a dramatic growth.

Advertisements of food and medicines are those with the largest number of problems. Some do not supply the registration number issued by the government, making it impossible for customers to know if the information is reliable.

Some are simply propaganda using the names of doctors and patients, while some contain exaggerated language, and some are simply saying something that is obviously false.

Advertisements are closely connected with business and daily life, and false ads have the potential to disrupt social and economic order, say officials with the commercial and industrial departments.

China put its first advertising law into effect on January 1, enabling the government to promote the healthy growth of China's advertising business within a legal framework.

### Circular Urges Tightening Seal Business Management

OW1504011695 Beijing XINHUA in English 0052  
GMT 15 Apr 95

[FBIS Transcribed Text] Beijing, April 15 (XINHUA)—Some senior departments of public security have been urging subordinates to tighten their watch over the seal-making business.

In a joint circular issued recently, the Ministry of Public Security and State Administration for Industry and Commerce called on local offices to remove illegal seal-making stands and severely punish offenders for forging seals.

Criminal cases involving forged seals are on the rise, with offenders using forged seals to defraud people, causing serious disturbances in the economy, according to the circular.

The ministry asked local departments to carry out an overall inspection of stands that make seals, and demand that stalls with licenses do business in designated places.

Local departments dealing with this should ban transient stands for illegal seal making, penalize them for any infraction of regulations, and in the more serious cases, make an investigation and determine the severity of the crime.

The circular stressed that local public security departments should be strict with approval and licensing of seal-making businesses, and should tighten controls of existing seal-making services. Local administrative bodies concerned with industry and commerce must not give business permits to those without approval from public security departments in their areas.

**New Rules Govern Satellite Telecommunications**  
*HK1604064395 Beijing CHINA DAILY in English 15 Apr 95 p 2*

[By CD News: "Rule Governs Satellite Stations"]

[FBIS Transcribed Text] The State Radio Regulatory Commission has issued a provisional rule to govern satellite telecommunication networks and satellite ground stations in China.

Nearly 3,000 ground stations, managed by the State's posts and telecommunications organs and regional departments, are now operating in China.

The provisional rule requires those hoping to set up a satellite station in Beijing to apply to the commission for approval.

To establish stations outside Beijing, the applicant has to solicit the Radio Regulatory Commission office in his province, autonomous region or municipality for permission.

**Tax Turnover Grows by 26 Percent in 3 Months**  
*OW1504125395 Beijing XINHUA in English 0840 GMT 15 Apr 95*

[FBIS Transcribed Text] Beijing, April 15 (XINHUA/OANA)—China collected 103.83 billion yuan in taxes from industrial and commercial sectors from January to March, up 26.8 percent over the same period of last year.

According to officials from the State Administration of Taxation (SAT), tax turnovers to the central treasury during the first three months posted a 22.3 percent rise to reach 55.64 billion yuan, while revenues to local coffers grew by 32.4 percent to total 48.19 billion yuan.

Thanks to stricter administration, the country reaped 2.37 billion yuan from individual income tax in the first quarter of the year, an increase of 81.5 percent, the highest the country has ever seen.

However, consumption tax registered the biggest increase of 81.5 percent, amounting to 8.78 billion yuan.

China has introduced a new tax regime since early last year which unifies tax policies of domestic firms and foreign-funded ones. The government has promised joint ventures to give them back the additional tax payments incurred by the new tax system.

By the end of January, the government had completed almost all the refundings which were nearly four billion yuan, according to SAT officials.

Struggling out of the fiscal strain, the central government has tightened tax collection over recent couple of years and has launched a nationwide publicity campaign every April since 1992 to enhance the citizens' awareness about tax obligations.

A SAT source said that the country aims to collecting some 550 billion yuan in tax payment in 1995, over 20 percent more than the actual sum levied last year.

**Journal on Nation's Poor Regions Inaugurated in Beijing**

*OW1704060195 Beijing XINHUA Domestic Service in Chinese 2123 GMT 10 Apr 95*

[FBIS Translated Excerpt] Beijing, 11 Apr (XINHUA)—"ZHONGGUO PINKUN DIQU" [CHINA'S POOR REGIONS] Journal started publication in Beijing recently. It deals specially with China's efforts to help poor regions and the economic development in those regions. It is a full-length journal published under the auspices of the China Foundation for Helping Poor Areas and is sold publicly at home and abroad. [passage omitted]

**Finance Expert Gives Views on Controlling Inflation**

*HK1704104295 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0747 GMT 7 Mar 95*

[Report by ZHONGGUO TONGXUN SHE reporter Shi Qingbin (2457 3237 1755): Professor Yang of the Chinese Finance Ministry Says China Needs at Least 3 Years To Control Inflation Rate Below 10 Percent]

[FBIS Translated Text] Beijing, 7 Mar (ZHONGGUO TONGXUN SHE)—Professor Yang Jiwan, of the Financial Science Research Institute under China's Ministry of Finance, pointed out that it is possible to reduce China's inflation to 15 percent this year; however, as China's economy has developed rapidly in recent years, with a correspondingly rapid rise in prices, he estimated that it will take at least three years to reduce inflation to below 10 percent.

In a recent interview with our reporter, Professor Yang said: It is certain that China's inflation rate has fallen gradually, but how much further it will fall will depend on the results of our efforts. If the inflation rate can be reduced to 15 percent this year, it should be considered a good result, as production will not be greatly affected, and it will not be too unbearable for the people, he said.

Yang expressed optimism at the government's measures to curb inflation. He said: If inflation can be held at around 15 percent this year, and reduced to about 12 percent next year, then to further reduce it to 9 percent in the year after next will be possible.

Yang said: If overly tough measures were to be adopted in order to curb inflation, then the pace of economic development would be adversely affected, which, in turn, would adversely affect employment. To curb inflation while maintaining the steady development of the economy is an delicate balancing act, he noted.

Yang believes that China's present foreign exchange reserves of more than \$50 billion are sufficient, and that

there is no need to increase them too much. This, he said, is because it takes more than eight yuan to have an extra US dollar in foreign exchange reserves. Of course, it is a good thing to increase foreign exchange reserves, but looking at it from the angle of the renminbi, it means additional costs, Yang said.

### **\*Task Force Reports on Bankruptcy Law Reform Needs**

95CE0143A Beijing JINGJIXUE DONGTAI  
[ECONOMIC DYNAMICS] in Chinese 18 Oct 94 pp  
22-25

[Report by joint survey task force on enterprise bankruptcy; edited by Zhan Xiaohong (6124 1420 3163): "Findings Report on the Implementation of the Bankruptcy Law' by Some Provinces and Cities"]

[FBIS Translated Text] A joint survey task force composed of the Enterprise Office of the State Economic and Trade Commission, the Industry and Trade Department of the State Council Legal Affairs Bureau, the Survey and Research Department of the China Industrial Economics Association, and the Beijing Siyuan Mergers and Bankruptcies Advisory Service has surveyed the five provinces of Heilongjiang, Liaoning, Sichuan, Hubei, and Jiangxi. It is reporting here on the implementation of the "Bankruptcy Law" in the above regions, major problems, and policy recommendations.

### **I. The Status Quo and Features of Enterprise Bankruptcy**

Incomplete court data show that since the "Bankruptcy Law" went into official effect on 1 November 1988, people's courts at all levels have heard 948 cases of bankruptcy, including 98, or 10.3 percent, in 1989; 32, or 3.34 percent, in 1990; 117, or 12.34 percent, in 1991; 428, or 45.15 percent, in 1992; and 273, or 28.87 percent, in the first half of 1993. They have heard 545 cases of enterprise bankruptcy in the last three years, or 86.36 percent of the total. In the areas of driving enterprises into the market and bringing the forces of excellence through competition into full play, the "Bankruptcy Law" is showing its long-awaited might.

Our current enterprise bankruptcy features are:

1. Increased numbers of large and medium-sized state enterprise.

All five of the provinces in this survey experienced cases of bankruptcy by state enterprises larger than medium-sized, such as Sichuan's Chongqing General Knitting Mill, Hubei's Yichang General Cloth and Clothing Factory, Heilongjiang's Zhaodong Sugar Refinery, Liaoning's Fushun Glassworks, and Jiangxi's Nanchang Motorcycle Manufacturing Plant. These enterprises all had assets of more than 10 million yuan each, with asset-liability ratios higher than 1:2.5 (with the safety factor being 1:1), and some actually as high as 1:3.63; their liquidity rates were over 40 percent in all three

southern provinces, but generally lower in the northern region, such as the Fushun Glasswork at only 6.18 percent. Most of the bankrupt enterprises had over 1,000 employees, in some cases nearly 3,000, with their ratios of retirees to workers being over 20 percent, up to a maximum of 43.13 percent. As the reform dynamics have built up, the bankruptcy targets have begun to shift to large and medium-sized state enterprises with long-standing losses and no hope of survival. The problems faced in such enterprise bankruptcies are no longer superficial ones like those faced in small collective enterprise bankruptcies, but rather a series of deeper-level problems involving matters such as structural adjustments, asset dispositions, debt losses, jobs, and social relief, with a wider scope, more policy involvement, and obviously greater implementation difficulties.

2. More bankruptcy applications by debtors.

While the "Bankruptcy Law" provides that either debtors or creditors can apply for bankruptcy, our survey found that nearly all bankruptcy applicants are debtors, showing the awareness of debtors in seeking bankruptcy protection to legally ensure their legitimate rights and interests. In contrast, as enterprises currently lack the necessary public-notification systems, it is generally hard for creditors (except for banks) to learn enterprise asset-liability situations through normal channels. As an enterprise bankruptcy advance-warning system has not been established, creditors cannot learn the extent to which their own rights and interests have been damaged. Meanwhile, as it is hard for bankrupt enterprises to have liquidity rates of 100 percent, creditors are generally unwilling to take the initiative in bankruptcy applications, which lowers both subjectively and objectively the probability that creditors will make bankruptcy applications. So in the interests of legally protecting creditors, the establishment of an enterprise bankruptcy advance-warning system is imperative.

3. Banks as the greatest losers.

Since "appropriations were switched to loans," enterprises have been mostly dependent on banks for their funding sources, with banks having become the biggest enterprise creditors, as well as the greatest losers when enterprises go bankrupt. Our survey found that bank credit made up 61.4 percent of the gross liabilities of the Zhaodong Sugar Refinery, which figure was 58.53 percent for the Yichang Cloth and Clothing Factory, over 50 percent for the Mudanjiang Printing and Dyeing Mill, and 43.9 percent for the Fushun Glassworks. Due to such low debt discharge rates, bank losses are certainly very large. The Hubei branch of the Industrial and Commercial Bank of China [ICBC] reports that since the end of 1991, Hubei has experienced 29 enterprise bankruptcies, involving 101.35 million yuan in branch-loan principal and interest, for real losses of 53.82 million yuan, or 53.1 percent. This loss rate is mostly over 80 percent in the northeast region, reaching 93.82 percent for the Zhaodong Sugar Refinery.



Banks surveyed in all areas reported that, because once special banks are converted to commercial banks they operate according to the modern financial enterprise forces of autonomous operations with the sole liability for their own profits and losses, banks per se also have problems discharging their burdens. The Shenyang branch of the ICBC reports that of its 15 billion yuan in loans to Shenyang industrial enterprises, 5 billion yuan, or one-third, are dead; of the Hubei ICBC branch's 17 billion yuan in industrial loans, 5 billion yuan, or 29.41 percent, are dead; and of the Jiujiang, Jiangxi, ICBC branch's 2.5 billion yuan in loans, 1.375 billion yuan, or about 55 percent, are dead. And China's four special banks estimate that of the current 2.4 trillion yuan in credit fund inventory, nearly 400 billion yuan, or about 16.7 percent, are idle funds. As 60-70 percent of bank credit funds come from individual savings, meaning that large losses would affect banking prestige and even endanger public stability, we need to make prudent decisions, fully considering banking endurance.

To do all possible to reduce their losses, banks are generally practicing a loan guaranty system. But certain enterprises are opening accounts in many banks with duplicate collateral to raise more funds. And responsible enterprise departments, to enable their inefficient subordinate enterprises to borrow funds, do not hesitate to designate efficient enterprises as security, even acting as security themselves, which gives rise to many cases of joint bankruptcy and security involvement. Our survey found that when the city of Qiqihar was planning six enterprise bankruptcies, it found through checking that they were all secured by good enterprises, meaning that a single bankruptcy meant several related joint bankruptcies, which it was forced to deal with. The Chongqing General Knitting Mill imported a production line in financed leasing form, with rent of 240 million yen that was to be paid off in three years, and with the Chongqing Textile Bureau as security. But as the mill was unable to discharge this debt on schedule, the leasing company brought suit, making the Textile Bureau the second defendant, with the pertinent court having made the final judgement that the Textile Bureau has joint liability, so having sealed up and confiscated the bureau's accounts, office building, and vehicles, and notified it that it is going to sell off its assets. So perfecting policies related to collateral and security has become a matter of prime importance to bankruptcy implementation.

#### 4. Government clears up enterprise bankruptcies.

While enterprise bankruptcy ought to proceed according to law, fully legal bankruptcy on current terms is difficult. Enterprise bankruptcy is now often "a combination of bankruptcy with merger" in which, before declaring bankruptcy, enterprises have to have the government designate a merger or purchasing subject, with courts at all levels even making that a prerequisite for hearing cases. Our survey found that as an organic chemistry plant in Shashi, Hubei, engaged in separate "bankruptcy and merger," it had not yet found a merger subject six

months after it went bankrupt, leaving its employees without placement, the government without security, the equipment without maintenance, and enterprise losses disastrous, with over 100,000 yuan having been wasted on the one item of plant guards alone.

Bankrupt assets are hard to inventory, and even harder to turn into cash. No one cares to ask about special-purpose equipment, with large owners not wanting to buy interchangeable sets of equipment and small ones not able to, while disassembled they can be sold only as scrap, which capitalization is hard for banks to deal with. While the Mudanjiang Printing and Dyeing Mill broke up and gave its plant and equipment capitalization to the bank in material form, the bank's own operations violated policy, with its commissioned operations having no intermediate agency, and there being no arena available for auctioning for cash, so that in the end the government had to buy them back. When the Fushun Glassworks found it hard to sell off its assets, it was forced to sell them at a low price to the municipal labor service company, leaving the bankrupt assets back "in the embrace of" the government once again.

In the placement of bankrupt enterprise employees, governments in most places still act as "mothers." Most employees of bankrupt enterprises in the northeast region are placed through administrative means, with either governments ensuring that they are moved to other enterprises, or responsible departments and the labor sector each replacing one-half. As to the 1,399 employees of the Zhaodong Sugar Refinery, the municipal government ordered that they all be accepted by the municipal No 1 Construction Company. The nearly 1,000 employees of the Mudanjiang Printing and Dyeing Mill were given "contract" jobs by the municipal labor and textile bureaus. Governments are in a dilemma about this, in that placing employees violates the hiring autonomy of other enterprises as well as the "Regulations on Converting Enterprise Operating Forces," while not placing them leaves employees to find their own market as labor and service markets do not exist. In this respect, the situation is somewhat better in the southern provinces. Many prefectures and cities set aside part of bankrupt assets for employee placements, generally 15,000-20,000 yuan per worker, which is issued in a lump-sum directly to those looking for jobs on their own by the appropriation units of the accepting units, from which employees draw liaison fees, which form of placement is well-received by over 90 percent of employees.

#### II. Policy Recommendations for Providing Impetus to the "Bankruptcy Law"

Our five-province survey found that the old system's protection of backward enterprises is gradually weakening, with the elimination-through-bankruptcy forces suited to market economy needs now forming up. And the implementation of macroeconomic reforms such as finance and taxation will be bound to sharply accelerate the pace of enterprise structural adjustment. Establishing

and perfecting the bankruptcy mechanism is both an objective requirement of market laws, as well as a rational option for promoting the sound growth of our state-owned economy. So we are making the following policy recommendations:

### **1. We Need To Adopt the "Multiple-Lift" Form To Appropriately Dispose of Assets and Discharge Debts**

1. We need to raise the percentage of bad-debt-loss reserve funds for bank loans, devolving [loan] examination and approval jurisdiction to lower administrative levels. The surveyed banks reported that the current setaside percentage for bad-debt reserve funds is only 0.3-0.5 percent, which is too low, brings too little accumulation, and hardly supports the loan losses incurred by bankruptcy. For instance, while the bankruptcy of the Zhaozhong Sugar Refinery caused the ICBC loan losses of nearly 40 million yuan, the ICBC's reserve fund balance in the whole Suihua Prefecture in which the refinery is located amounted to only 15 million yuan, meaning that using it all still did not make up the loss. In addition, the formalities are overelaborate. The bank reported that its provincial branch had examination and approval jurisdiction for only 500,000 yuan, with anything over that having to be submitted for approval to the head office. So we recommend raising the bad-debt reserve fund setaside percentage (to 1 percent), as well as appropriately devolving examination and approval jurisdiction, and streamlining transaction formalities.

2. We need to practice bankruptcy first and merger later, so that bank loan arrears by enterprises can be discharged first, with the balances transferred. In the debt [discharge] liquidation process, banks can act as ordinary creditors, liquidating some debt at the liquidity rate, and then acting in the capacity of a special creditor, to get the purchasing (or merging) party to accept the undischarged part through the balance-transfer form. As to the thus increased debt burden of the purchasing (merging) party, we could dispose of it through the "four-part" method: 1. Banks could sacrifice one part. This would reduce the receivable interest, which would be covered by the bad-debt-loss reserve fund; 2. Part of the loan could be left on account. As to acknowledged transferred-balance loans, they could be left on account with no interest in accordance with the provisions of the Five-Head-Office Banking Document No 113 (1993) "Circular on Dealing With the Matters of Stopping, Reducing, or Lowering Interest on Loans to Enterprises That Have Stopped Production for Rectification, Been Merged, Been Dissolved, or Gone Bankrupt"; 3. State finance could make up a part. The local state finance sector could lower or exempt a certain part of the income taxes of the purchasing (merging) party, which would be used to repay banks for transferring account balances; 4. A part could be profit at liquidation time. We could suitably underestimate assets and land use rights for uncompensated transfer, so that the receiving unit could profit on part when discharging debts. As such a "multiple-lift" method would both reflect protection of bank

credit, while providing certain preferences to purchasing parties, it would be easily acceptable by all parties.

3. We need to improve our credit risk prevention, practicing a strict collateral security policy. Banks need to practice credit-asset risk-management methods, emphasizing advance prevention, and establishing credit-asset quality-oversight and credit-post responsibility systems. We need to insist on the principle of separating government administration from business management so that, except where the state has provided otherwise, administrative organs may not go security for enterprises. When enterprises put up security, 1, it needs to be voluntary, 2, it needs to be product-related, 3, it needs to have joint liability, and 4, it needs to be able to absorb bankrupt assets when the guarantor enterprise goes bankrupt.

### **2. We Need To Use Diversified Methods To Dispose of the Problems of Bankrupt Enterprise Employee Job Placements and Subsistence Relief**

As our survey found that it is unwise for all bankrupt enterprise employees to be taken care of by government, the basic way to solve the problem is through personnel dispersion.

1. Temporary workers (peasant laborers) should be dismissed per agreement; contract workers should undergo formalities to terminate their work contracts in accordance with Document No 111 (1993); employees near retirement should be retired early; on-the-job employees should continue unemployed with wages for a specific period of time.

2. Placement fees [settlement allowances] could be set aside from bankrupt-asset advance retention or contributed-capital purchase funds. The specific method could be to add to the first sequence of the "Bankruptcy Law" on bankrupt-asset priority payees an "employee reemployment assistance fund," to be used mainly to help employees of bankrupt enterprises find individual jobs on their own.

3. We need to speed up our social security reform. Our survey found that the unemployment insurance fund still has a surplus. Since Jiangxi's 1986 hiring reform, its unemployment insurance fund has accumulated a balance of 83 million yuan, from which 3 million yuan (excluding training fees), or only 3.61 percent, has been paid in relief funds. Chongqing has accumulated 50 million yuan, paying out 8 million yuan, or only 16 percent. Drawing on these balances will 1, vigorously launch job-transfer training, 2, develop a labor market, and 3, create labor-intensive and temporary job opportunities. If the government launches an organized campaign to provide work as a form of relief, providing the unemployed with jobs that serve the cities and quality of life (such as environmental protection, greening, and road construction projects), that will absorb some of the unemployed with work skills.

A current glaring problem in enterprise pension insurance is industrial overall planning. It is understood that the recently issued National Document No 149 (1993) allows industrial overall planning. Jiangxi and the north-east report that systems such as posts and telecommunications, power, transportation, coal, civil aviation, non-ferrous metals, and banking have withdrawn from local [or regional] overall planning, leaving their already quite weak local overall planning nearly without any regulation capability, making it hard to assume the current pension costs for bankrupt enterprise retirees, and even harder to achieve overall social planning. To essentially resolve this matter, we recommend veying a social security tax.

### III. We Need To Vigorously Develop a Property Rights [Equity] Transaction Market, To Purchase Bankrupt Enterprises

We need to sharply expand our equity transaction market, acting more in line with market laws, by adopting transaction means such as directed sales or competitive-price auctioning, to dispose of bankrupt-enterprise assets.

1. We need to set up a state-enterprise realignment fund. We recommend pooling part of funds such as fiscal loss subsidies, government deficit-makeup funds, bank "poverty-relief loans" and "stability loans," appraised income from the disposition of assets, plant-movement compensated-transfer and compensation fees, issues of specific bonds, and international aid funds as a realignment fund, to be given to state enterprise realignment organs to be used to buy assets and for turnover when state enterprises go bankrupt.

2. We need to attract foreign investment to large and medium-sized state enterprises on the verge of bankruptcy, for operation by foreign holding companies. This would mean going through strict examination and approval procedures to sell part of their equity to foreign firms. The former enterprise losses and debts could be repaid and made up yearly from shareholder bonuses from the Chinese partners of the enterprises once the joint ventures are formed.

3. We need to attract private funds by auctioning off some medium-sized and small enterprises on the verge of bankruptcy. The auction prices should be no lower than the reappraised net-asset value, with legal and natural persons all allowed to buy. Purchasers would have to assume debts and pay into employee social security overall planning. The income realized from the auction of assets would be used mainly for investment in asset funds for large and medium-sized enterprises that the state needs to protect.

4. We need to set up exclusive agencies for asset purchasing and auctioning. We should let certain intermediary organizations make specialized purchases of bankrupt assets. After repair, refitting, and reorganization,

such assets should be listed for auction, to dispose of the difficulties in realizing bankrupt assets.

### IV. We Need To Revise and Perfect Our "Bankruptcy Law" as Quickly as Possible

In light of the many changes that have occurred in our macroeconomic climate since the promulgation and implementation of our "Bankruptcy Law," we need to amend and perfect it as quickly as possible in line with judicial practice, as well as draw up detailed implementation rules and regulations.

1. The substance in need of amendment is: Our "Bankruptcy Law" applies only to state enterprises, leaving no laws to follow when bankruptcy cases occur in collective and the three kinds of foreign trade enterprises. While our 1991 "Civil Lawsuit Law" clearly provides that bankruptcy procedures are expanded to all enterprises, its substance is quite rough and hardly serviceable. So we recommend expanding the scope of applicability of our "Bankruptcy Law" to all enterprises.

A few time limits in our judicial procedures are too long, which is adverse to improving our caseload efficiency, as well as making it hard to ensure all assets. For instance, our statutory time limits for creditor declarations, first creditor conferences, and liquidation composition dates are too long, so we recommend shortening them.

2. The substance in need of clarification is: Whether set bankruptcy terms are uniform about "debts that cannot be discharged when due"; whether bankrupt enterprise welfare facilities (such as employee living quarters, child care centers, schools, and hospitals) and land use rights are included in bankrupt-asset assignment or capitalized debt payment in kind; whether funds raised by enterprise employees are included in the scope of debt repayment, all of which need to be clarified.

3. The substance that needs to be added is: The enterprise-bankruptcy advance-warning line; minimum employee subsistence standards; bankrupt enterprise arrears sources for employee medical costs, industrial injury survivor pensions, and retiree health costs; bankruptcy cost advances.

We are now surveying and studying the grounds for starting to draft "Bankruptcy Law" implementation views, as well as planning to consult with the courts on a joint drafting of "detailed rules and regulations for bankruptcy law implementation."

### Finance & Banking

**Chen Yun Talks About Banking Reform, Growth**  
OW1504011795 Beijing XINHUA Domestic Service in  
Chinese 0604 GMT 14 Apr 95

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 14 Apr (XINHUA)—In a prepared speech delivered at a recent annual meeting



of the China International Economic Forum, Chen Yuan, vice governor of the People's Bank of China, said China is facing new challenges and opportunities in its reform and development of the banking industry. He said we have faith in being able to solve problems cropping up during the course of reform and development, and in establishing as soon as possible, a banking system that can meet the needs of the socialist market economy to better promote sustained, rapid, and healthy economic development in China.

Talking about the current banking situation in China, Chen Yuan said: Generally speaking, marked results were achieved last year in smoothly introducing the banking and foreign exchange system reform measures. But it should also be noted that China is now in a period of transformation from an old to new system. During this process, it is unavoidable for economic operations to collide with the banking system, thus revealing all kinds of economic contradictions. Inflation is a major problem in current economic and banking operations. As a central bank, we have made it clear we will take curbing inflation as the priority target of our current banking work and will apply a moderately tight monetary policy to resolutely check inflation. Major measures already taken are: First, we controlled the basic money supply by recovering the central bank's re-loans and by issuing special deposits to other banks. We resolutely carried out a monetary policy that rigidly controls the scale of credit and quantity of currency issued. Second, we readjusted in a timely fashion, the interest rate of the central bank's re-loans and that of bank loans for fixed assets. Third, while strictly controlling the aggregate amount of loans, we readjusted the orientation of our loans to ensure we meet the state's major fund needs.

Chen Yuan said: The fundamental way to curb inflation lies in developing the economy and deepening reform. Therefore, in addition to adopting the abovementioned measures to curb inflation, we will continue to promote the banking reform step by step, and create conditions for forming a mechanism to effectively control and solve inflation problems. The key points for restructuring the banking industry at the current stage will focus on the improvement and perfection of the following major banking reform measures already put into practice:

- Improving banking macro-control measures. This year, people's banks will try to do a good job in coordinating the policy concerning the Renminbi and foreign exchange by using more indirect means such as the central bank's re-loans, interest rate, and open market. We will make active efforts to explore and establish a macro-control system that is mainly based on indirect means.
- Deepening the reform of foreign exchange management, improving the foreign exchange settlement system, and strengthening the management of the state's foreign exchange reserves. This year, the three kinds of partially or wholly foreign-owned enterprises

will be included in the foreign exchange settlement system. We will make further effort to cultivate foreign exchange markets and strengthen their management.

- Perfecting the operating mechanism of policy-related banks and conscientiously bringing into play the policy-related banking role. The sources of funds for policy-related banks and their operation will be further standardized. The Agricultural Development Bank of China should form a closed mechanism for fund management. Further efforts should be made to improve the fund-raising measures of the State Development Bank and the Import and Export Bank of China by establishing a benign mechanism for a normal circulation of funds to ensure a normal turnover of funds.
- Carrying out further reform of state-owned commercial banks. At present, an evident problem faced by state-owned banks is the decline in the quality of assets. We should spare no efforts to formulate procedures for the use of reserves for bad loans by trying to study and solve the problems of bad debts caused by state-owned enterprises to prevent banks from losing funds. We should continue to help banks improve asset-liability ratio management and establish an internal risk management mechanism as well as an internal checking mechanism.
- Accelerating the experiment on forming urban cooperative banks as well as developing and perfecting the insurance market. This year, we will experiment on establishing urban cooperative banks in a planned way and step by step. We will establish branch offices of the Life Insurance Company and establish a reinsurance company as soon as possible. We will gradually develop intermediary insurance organs and form an insurance market that allow appropriate and orderly competition.

#### **Banks Reluctant To Finance Infrastructure Projects**

HK1704043295 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 17 Apr 95 p 1

[By Dede Nickerson in Beijing]

[FBIS Transcribed Text] International banks are showing little appetite for vital infrastructure financing in China because of the high risks involved, a survey reveals. They are showing a preference for project company guarantees, rather than Chinese banks and international trust and investment corporation guarantees, the traditional back stops of China debt.

Ted Rule, director of Asian Infrastructure Fund, said a survey of 13 international banks showed that only one was prepared to consider recourse loans to China and none was prepared to countenance debt. The fund has raised and invested about US\$1 billion in infrastructure

projects throughout the region. With the aversion to infrastructure financing, corporatisation of projects might be a solution, said Mr Rule. "There is a growing tendency for banks worldwide to eschew the risks of BOT (build, operate, transfer) financing," Mr Rule said. "The gearing can be as high as 90 per cent and the bulk of the risk is taken by banks."

This left two options—find new sources of equity funding or enhance the financial structure of the projects. The squeeze on domestic credit also makes it unlikely that state banks can be considered a solid source when it comes to funding. "If a company is able to demonstrate a strong asset base and a strong cash flow and track record from business other than the new project that is to be financed, it may be possible for banks to lend to a new project on the project company's guarantee," Mr Rule said.

For such a scheme to work, it would also be necessary to ensure that the company which is raising debt to show it has as much in existing assets and cash flow as well as a strong financial base. This notion was not as absurd as it might seem, Mr Rule said. "There's an enormous amount of untapped value in existing infrastructure in China that could be easily injected into new corporations, be they state, collective or privately owned." All over China there are a large number of ports, airports, railways and toll roads that are already profitable, but very few have been organised into companies."

For such a transformation to actually occur it would be necessary to reorganise the assets so that their value was fully realised for the purpose of future funding. The firms would then need to adopt a sound, conservative financial structure. In the case of infrastructure companies, the structure should not vary greatly from that adopted by other companies that are in the public markets for funds. Price controls imposed by central planners can also serve as a major obstacle for investors. If prices were freed, returns would not be artificially high or low, Mr Rule said. "Infrastructure services are no different from any other services in the economy and the Chinese Government should resist the temptation to over-control prices," he said. "Infrastructure services that are underpriced will be over-used, under profitable and under invested."

He suggested that market reforms that allowed the freeing of soap and grain prices should be applied to ports and roads. "The experience of the past 15 years has shown that market pricing abolishes gluts and shortage problems for soap and grain, this is the right remedy for infrastructure," he said. China's domestic equity markets could have a significant role to play in the fund-raising process if some critical changes are made in the current system.

Mr Rule has a different view of the current slump in the markets. "It's an absolutely normal situation brought about by the expansion of the market to meet investor demand and the consequent sharp drop in prices from

the absurd levels of the early 1990s to today's more reasonable levels," he said. The elements which have brought about poor conditions were the direct result of government intervention.

**Bond Custody, Settlement Company To Be Set Up**  
HK1604070395 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Apr 95 p 3

[By Ren Kan: "National Company for Bonds Is State Aim"]

[FBIS Transcribed Text] China will set up a national company responsible for the custody and settlement of treasury bonds, a senior finance official said.

The move aims to boost the establishment of a nationwide treasury bonds market, said Gao Jian, director of the State Debt Department of the Ministry of Finance.

A unified bonds market will help the central bank to carry out its monetary policy better through open-market activities. For example, the central bank can buy treasury bonds on the market if it wants to ease the control over money supply. It can also sell bonds to limit the amount of currency in circulation.

Gao said the Beijing-based company, linking all the exchanges through computers, will allow exchanges to settle bonds trading through the company.

At present, exchanges that trade treasury bonds have their own settlement companies and their own rules that only deal with bonds traded in their exchanges.

The existing settlement companies and primary dealers will become members of the national company sponsored by the ministry and the People's Bank of China.

Gao said the nonprofit company will be established using the existing facilities in the National Electronic Trading System.

He added that the company, which is expected to open later this year, is seeking technical assistance from the World Bank.

To ensure the smooth operation of the national company, the ministry is drafting some detailed regulations on the custody and settlement of the treasury bonds.

They are expected to arrive before or at the same time the national company is established.

Gao said that the establishment of the national company will help the country realize its plan of shifting the standard paper-form treasury bonds into paperless forms.

In a paperless form, the bond-owners will have accounts registering the amount of bonds.

China has issued three batches of paperless bonds since 1991 to institutional buyers.

It is expected to issue 20 billion yuan (\$2.3 billion) of paperless bonds later this year.

Gao said the State spent a lot of money in printing, transportation and safekeeping of the paper-form bonds.

And the efficiency in paperform issue is low because the issue period lasts several months.

China resumed the issue of treasury bonds in 1981 and expansion has been swift.

The country floated more than 310 billion yuan (\$36.8 billion) in treasury bonds in 1994.

Treasury bonds have become the first investment choice for Chinese.

### Foreign Trade & Investment

#### Li Lanqing Meets With U.S. Businessman

OW1404130795 Beijing XINHUA in English 1007  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Chinese Vice-Premier Li Lanqing met here this afternoon with Johnny Chung, chairman of the Automated Intelligent Systems Incorporation of the United States, and his party.

Zheng Hongye, president of the China Council for the Promotion of International Trade, attended the meeting.

Chung arrived here on Thursday as guest of the Chinese council.

#### U.S. Fire Insurance Firm Opens Office in Xiamen

OW1604163895 Beijing XINHUA in English 1520  
GMT 16 Apr 95

[FBIS Transcribed Text] Xiamen, April 16 (XINHUA)—Hartford Fire Insurance Co. Ltd, one of the 10 top international insurance enterprises of the United States, has opened its representative office in Xiamen, east China's coastal city.

The Xiamen representative office will make investigations in insurance markets and provide consultancy services for clients, office sources said.

The insurance company, which is affiliated with the International Telephone and Telegraph Corporation of the United States, was founded in 1810. In 1994, it recorded 11.5 billion US dollars in premiums and 810 million US dollars in after-tax profits, according to reports.

#### Chen Xitong Meets Japanese Business Executive

OW1404151095 Beijing XINHUA in English 1456  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Chen Xitong, secretary of the Beijing municipal Committee of the Chinese Communist Party, said here today that he hopes the cooperation between Beijing and Japan will have new strides.

Chen made the remark during his meeting with Hiroshi Saito, representative director and chairman of the board of directors of Nippon Steel Corp. this evening.

Chen said, may our friendship last for generations to come, just like the name of a Sino-Japan Joint venture "Hotel New Otani" suggests: the Great Wall and Fuji Mountain together.

Hiroshi Saito, sharing Chen's view, said "We will carry on the cause of our forerunners—to be friendly forever."

#### Japanese Automaker To Provide Service Network

OW1404133195 Beijing XINHUA in English 1245  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Japan's Mitsubishi Motors Corporation plans to build a comprehensive after-sales service network in China within two years.

This will be a group of 50 repair centers and 20 component departments spread across the country.

Mitsubishi is currently negotiating with the Chinese government on a move to jointly produce the Mitsubishi X-style car here, one that is specially designed for individual buyers in China, to be exhibited at the Shanghai International Automobile Exhibition in June.

Hiromi Inomata, general manager of Mitsubishi Motors' Beijing Office, said that the company has made big progress in co-operation with China during the past several years.

Mitsubishi will use its experience and technology to produce multi-purpose vehicles in an effort to help China develop its automobile industry, he said.

Previously, Mitsubishi transferred some of its technology to China's automobile manufacturers, such as for five-ton trucks at the Changchun No.1 Automobile Plant, and some for the Shenyang Jinbei Automobile Plant and the Liuzhou Mini-van Factory.

Last year, Mitsubishi exported 17,000 vehicles to China, occupying 20 percent of the total automobile export volume of Japan.

As Hiromi Inomata noted, the company has increased its fame on the China market by aiding sports events in the country. And it has also invested in a motorsports school in Beijing.

Last year, Mitsubishi produced two million vehicles, making it the ninth largest automobile manufacturer in the world.

#### Rising Yen Brings More Japanese Investment

HK1604065695 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Apr 95 pp 1, 2

[By Gao Bianhua: "As Yen Grows, So Do Japanese Investments"]



[FBIS Transcribed Text] The sustained yen appreciation will boost Japanese investment in China, a senior researcher told *Business Weekly*.

"Direct investment of Japanese companies in China is likely to reach a new high this year, because the exchange rate of Japanese yen against US dollar has broken the 90 line," said Xu Changwen, a division director of the Beijing-based International Trade Research Institute, affiliated with the Ministry of Foreign Trade and Economic Cooperation (Moftec).

In fact, he said, Japan's funds influx to China has been increasing rapidly in recent years, especially in 1994.

Moftec statistics show last year China approved 3,018 new Japanese-funded projects, with contractual investment reaching \$4.44 billion, up 50 per cent over 1993. The actual inflow was \$2.075 billion, a 57 per cent increase.

"The stronger yen has not only brought more Japanese investment to China, but larger projects too," Xu said.

On average, the pledged capital channeled to every Japan-funded project was \$1.47 million, \$600,000 more than in 1993.

Since the mid-1980s, Japan's overseas investment has grown vigorously because of higher costs in the domestic market caused by the continuously rising yen.

Its promised investment in other countries and regions peaked in 1989 at \$67.54 billion. Most of the investment went to real estate in the United States and Europe.

However, Xu said, unhealthy economies and saturated markets in the United States and some European countries have made Japanese overseas investment focus on Asia, especially in China.

In addition, more investment to the Western countries may lead to fiercer trade rows with these countries, which also contributed to the transfer of Japan's investment strategy to Asia, Xu said.

"China's huge market is a big attraction for overseas investors, and the sustained high-speed economic growth provides the manufacturing industry with an ideal investment climate," he said.

He said one striking feature is that the textile industry accounts for a high proportion of Japan-invested projects in China.

According to Japanese statistics, its manufacturing companies invested in 1,390 overseas projects in 1993, 579 of which, or 41.7 per cent, went to China.

Because China is making efforts to close the nation's economic gaps, Xu predicted that Japan's future investment in China will swift to the central and western regions.

Agriculture, energy and transportation and other basic industries will also be the investment focus of Japanese firms.

However, Japanese investment is still a small part of China's direct overseas investment, he said.

In 1994, its contractual funds made up 5.3 per cent of China's total promised overseas investment, while Sino-Japanese trade accounted for more than 20 per cent of China's total foreign trade, and Japan's exports to China accounted for 22.7 per cent of the imports last year.

### **Wu Yi Promises Further Reform of Import Regime**

*HK1604065095 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Apr 95 p 1*

[By Wang Yong: "Experts Optimistic About Trade"]

[FBIS Transcribed Text] China's foreign trade minister has promised to create an opportunity for foreign investors to compete fairly in the Chinese market.

"China will further reform its import regime by giving greater play to economic and legal measures (instead of bureaucratic orders)," Wu Yi told the China Summit in Beijing last week.

Her remarks, analysts say, should dispel worries that China has not opened its markets wide enough.

A recent report from the United States Trade Representative Office said that China's trade barriers are still "too high."

"Unless they come in (to the World Trade Organization) on terms that will promote a more open economy, we will be unable to support Chinese entry," Jeffrey Garten, US Under Secretary of Commerce, said in Beijing last week.

He said China's trade regime is especially protective in the energy, financial services and industrial equipment sectors.

However, big-name companies, represented by the Switzerland-based ABB electrical engineering group, are more accommodating to China's gradual-opening policy.

"We cannot expect China to open its domestic market overnight. I believe the Chinese leadership is moving in the right direction," ABB President Percy Barnevik told *Business Weekly*.

Philip Tose, chairman of the Hong Kong-based Peregrine Holdings Ltd, said the prospect (of trade with China) is bright, despite some problems.

Wu said China will strictly abide by international practices when it comes to protecting domestic infant industries.

"Some improper trade policies will be phased out to ensure a uniform national policy and transparency," she said.

"It probably will take three years for China to establish a complete foreign trade law system based on the Foreign Trade Law."

Peregrine economists said that China's recent moves to make the allocation procedure for export quotas more transparent are a positive step in this direction.

Wu said the national treatment, which is coveted by foreign investors, will be granted over time. "In fact, foreign and domestic investors have enjoyed virtually the same treatment since China adopted a series of reforms in financial, taxation, foreign exchange and investment sectors at the beginning of last year," she pointed out.

The Peregrine economists said if China can set up a healthy law system in the near future, the prospect for China's trade growth is bright, adding the huge market potential will replace cheap labour as a new and long-term stimulator for more foreign direct investment in China.

#### **Ningbo Sells Infrastructure Rights to Investors**

OW1604053795 Beijing XINHUA in English 0102 GMT 16 Apr 95

[FBIS Transcribed Text] Ningbo, April 16 (XINHUA)—This port city in east China's Zhejiang Province has decided to sell, through public bidding, the rights of management, naming and advertising arrangements of some local highways, bridges and parks to foreign investors in a bid to raise funds for the building of more infrastructures.

This will be applicable to the nine overbridges to be built in the near future.

This is unprecedented in Ningbo. It shows that the city's urban engineering and management has become commercialized, said an official from the city urban construction corporation.

It was reported the city needs billions of investment for building a modern transportation network. However, the amount of funds available each year was only 30 million yuan.

#### **Efforts Made To Increase Trade With Russia**

HK1604065795 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Apr 95 p 2

[By Sun Hong: "Exchange With Russia Will Grow"]

[FBIS Transcribed Text] Sino-Russian trade is expected to see an upturn this year following a sluggish 1994, Russia's trade representative in China said.

The two governments are making efforts to increase trade, Alexander Ivanovich Kachanov said.

"One of the major tasks is to develop cash trade, as both sides are dissatisfied about the dominance of barter trade," he said.

"As the first step, we suggest using the renminbi in trade for a period of time because of a lack of US dollars on both sides. In this respect, more co-operation between banks of the two countries for trade settlement is needed."

The two governments have also agreed to recommend large and competitive domestic companies for trade and co-operation this year.

China is trying to upgrade export quality and ensure orderly trade. And Kachanov said Russian exporters will be urged to sharpen their competitiveness.

China's steady economic growth provides Russian manufacturers with ample opportunities to expand exports of machinery, metals, fertilizers, automobiles and transportation, power-generating and textile equipment, Kachanov said.

Meanwhile, prospects are good for sales of high-quality Chinese-made foodstuffs, daily necessities, machinery and electronic products in Russia, he said.

The countries' more-than-4,000-kilometre-long border implies good potential for border trade. Negotiation is needed to establish authoritative arbitration bodies to settle any disputes.

"Apart from trade, investment and technology exchanges are emerging as a crucial part of Sino-Russian economic co-operation," he said.

Consortia are being formed in Russia to take part in large projects in China in the sectors of energy, metallurgy, refining and transportation. Russian banks will provide guarantees for the projects and the Russian government will offer guarantees for especially large projects, he said.

"Russian companies also are interested in helping China modernize projects that were constructed in the 1950s with the aid of the former Soviet Union."

And there are broad prospects for technology exchanges and for co-operation in turning military plants to civil production.

Kachanov said that through the efforts of both sides, Sino-Russian trade is likely to rebound to \$6 billion this year, an increase of 20 percent from 1994. Last year, bilateral trade dropped 30 percent from 1993 to \$5.1 billion, following a boom in the 1992-93 period, according to Chinese Customs.

Analysts attributed the decline partly to the start of an adjustment stage in Sino-Russian trade, which could help lay a solid foundation for trade expansion in the long run.

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Other elements responsible for the decline include greater availability of consumer goods in Russia, rising prices of Russian exports, and shrinking demand for Russian goods in China because of tightened policy on infrastructure construction last year.

**Overseas Investment Surges in Computer Industry**  
*OW1604074795 Beijing XINHUA in English 0737*  
*GMT 16 Apr 95*

[FBIS Transcribed Text] Beijing, April 16 (XINHUA)—Overseas investment recorded a new surge in China's computer industry in the first quarter, after registering a growth rate of more than 30 percent for four years running.

The first quarter saw the blue giant, IBM, signing an agreement with China's Great Wall Group involving 10 million US dollars in investment in its second joint venture in Shenzhen city, which is scheduled to produce 1.5 million chips within this year.

The China Hewlett-Packard (CHP) Company, one of the earliest investors in China's burgeoning computer industry, announced a plan of establishing its PC manufacturing base in China on March 28, which will absorb some 20 million US dollars.

So far, CHP has injected 2,500 million U.S. dollars into its joint ventures in China over the past decade.

Moreover, Taiwan's Acer and the Wyse Technology from the United States have launched two joint projects costing more than 10 million US dollars each.

Analysts here noted that leading officials of computer giants in the world came one after another to visit China and has indicated their eagerness to have a share as soon as possible in the world's last potential large computer market.

Presidents or chief executive officers (CEO) of the SSA, AST, and Oracle had all paid visits China, and the meeting between Chinese President Jiang Zemin and Louis Gerstner, chairman of IBM, marked big interest on both sides.

Ricky Lee, Manager of CHP's computer products organization, said that foreign computer companies have shifted focus on a long-term market strategy from short-sighted activities.

The Hong Kong-born manager said that the ongoing trend of joint ventures, which bound to be equipped with the latest technology and management system, will promote the growing demand of the computer market.

Statistics show that successful operations of the country's computer sector benefited foreign computer firms. The growth rate of CHP's profit grew 100 percent, and that of IBM shot up 300 percent in 1994.

Experts attributed the remarkable increase of foreign investment to the fast development of the national

economy and the modernization drive that accelerated industrial and commercial operations areas, as well as to the establishment of a group of countrywide information projects.

So far the "Golden Bridge" project, a national information highway, has gone into operation in 24 provinces and municipalities. Its starting program, the "Golden Customhouse", has completed construction of an exchange center and opened the E-Mail/EDI platform to public service.

In line with the development of the country's information and telecommunications industry, the demand for advanced computers, software, workstations and network technology will rise further, said an official in the Electronic Industry Ministry, adding that his provides overseas capital with an excellent chance to enter the Chinese market.

**Foreign-Funded Export Commodities Fair Opens**  
*OW1604162095 Beijing XINHUA in English 1542*  
*GMT 16 Apr 95*

[FBIS Transcribed Text] Guangzhou, April 16 (XINHUA)—The Fourth China Foreign-Funded Enterprises Export Commodities Fair opened here today in the International Exhibition Center in Guangzhou, capital of south China's Guangdong Province.

Vice Minister of Foreign Economic Relations and Trade, Shi Guangsheng, and businessmen from Japan and Hong Kong attended the opening ceremony this morning.

Nearly 10,000 varieties of commodities from almost 400 foreign-funded enterprises are being displayed at the fair, which runs through 29 [as received].

The first two of the fair were held in Xiamen, a rising port city in southeast China's Fujian Province and the third of the fair was held in Guangzhou. The total business volume concluded in the first three of the fair reached 820 million U.S. dollars.

By the end of last year, China had approved the establishment of 221,718 foreign-funded enterprises, over 100,000 of which had gone into operation. These foreign-funded enterprises' import and export volume totalled 87.65 billion US dollars in 1994, which accounted for 37 percent of the country's total export and import value. The export value of these enterprises last year reached 34.7 billion US dollars, accounting for 28.7 percent of China's total.

**Firms To Participate in 3 'Golden' Projects**  
*HK1604064895 Beijing CHINA DAILY in English 15*  
*Apr 95 p 5*

[By Pei Jianfeng: "Overseas Companies Going For The Gold"]



[FBIS Transcribed Text] Foreign companies are welcome to participate in the construction of the country's information infrastructure, known as Three Golden projects, a senior official said yesterday.

Foreign companies can team up with domestic enterprises to take part, said Yang Tianxing, director of the computer department under the Ministry of Electronics Industry.

They are not allowed to undertake construction work without domestic partners.

The massive information projects will provide huge business opportunities for domestic and foreign companies, Yang said.

The projects will require computers, software, and networking and other communications products.

Contractors will be chosen through bidding.

Foreign companies also can cooperate with China's manufacturing sector to provide technology and equipment for the projects.

Many foreign giants have shown keen interests in the Three Golden projects.

An exhibition to introduce the projects and new information technology will be held from April 17 to 21 in the Beijing Exhibition Hall.

More than 30 foreign companies will display their technology and projects. The exhibitors are to include IBM, Motorola and Visa from the United States and Hitachi, Toshiba, Fujitsu and Omron from Japan.

More 200 domestic companies will also attend the exhibition.

After two years of preparation, Three Golden projects are entering the implementation stage this year, Yang said.

The Golden Bridge project, which is the backbone of China's information network, will link 24 information centres around the country this year.

To realize paperless foreign trade, the Golden Customs project will connect foreign trade companies with banks and the Customs and taxation bureaus.

The Golden Card project, designed to issue more credit cards to replace cash, is being tried in 12 pilot cities.

A new project, Golden Tax, is also under way. It aims to computerize the taxation system and crack down on tax evasion.

The first stage of the project has been completed. Nearly 800 tax collecting departments in 50 large cities have been linked.

The network will be soon expanded to cover the whole country.

The Ministry of Electronics Industry plans to set up a research centre to develop the framework for China's information superhighway, Yang said.

#### **Bureau on Foreign Investment for Infrastructure**

OW1704021895 Beijing XINHUA in English 0148  
GMT 17 Apr 95

[FBIS Transcribed Text] Beijing, April 17 (XINHUA)—More foreign investment has been directed to infrastructure construction according to the latest figures from the State Statistics Bureau.

Last year, China signed a total of 47,549 foreign investment projects involving 82.68 billion U.S. dollars. Despite a 43 and 25.8 percent drop in these figures, investment per project grew from 1.33 million U.S. dollars to 1.74 million U.S. dollars, the bureau said.

The foreign investment saw a noticeable shift to infrastructure. In 1994, foreign investment in communications and telecommunications jumped by 36.3 percent over the previous year. Investment in oil and gas projects grew 5.5 times, and the percentage of coking coal use saw a rapid increase.

According to the statistics, foreign investment in real estate was brought under control last year with total investment declining from 39.3 percent in 1993 to 28.9 percent in 1994.

Last year, the bureau has pointed out, China introduced more advanced technology for large and medium-sized projects in such sectors as machinery and electronics, raising China's technological level.

China also saw a marked change in the regional use, as more foreign investment was directed to inland areas and to the central and western parts of the country, the bureau said.

#### **Shanghai's Pudong Area Exports Up in First Quarter**

OW1404131395 Beijing XINHUA in English 0650  
GMT 14 Apr 95

[FBIS Transcribed Text] Shanghai, April 14 (XINHUA)—The export value of the Pudong New Area in Shanghai totalled 502 million US dollars in the first quarter of this year, a 63 percent rise over the same period of last year.

Pudong has experienced a sustained development in foreign trade over the past two years. In 1992 the area's exports accounted for one percent of the total of Shanghai's exports.

The figure rose to 13.7 percent to reach one billion US dollars- worth in 1993. Last year, its export volume registered a 79-percent growth at 1.8 billion US dollars, making up one fifth of Shanghai's total export.

The area has 330 export-oriented enterprises of various ownerships, covering the fields of textiles, light industry, electrical machinery, metallurgy and chemistry. Their products are exported to a dozen of countries and regions, including Japan, the United States, Canada, Taiwan and Hong Kong.

Foreign-funded firms have become a backbone force in the area. Of the 2,600 foreign-funded enterprises which have sprung up in Pudong over the past five years, 170 have gone into operation, contributing 14 percent of the area's total annual exports.

There are 160 government-run foreign trade companies in Pudong handling 58 percent of the area's exports.

#### **Administration Urges PC Users Not To Copy Software**

OW1404131795 Beijing XINHUA in English 0733  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—The State Copyright Administration today urged all computer users to buy their software instead of copying it.

Sources say that some central government offices have recently allocated large sums of money to buy software when buying computers.

Statistics show that there is an average of one computer for every 500 Chinese, and most users are in work units.

Wang Huapeng, director of the Copyright Office of the State Copyright Administration, said that the administration is considering notifying computer users nationwide, telling them to use legally produced software.

"If we find a case with enough evidence, whether the violation was done by a government office, a state-run enterprise, or the private sector, the person will be punished to the full extent of the law," he warned.

He also suggested that users buy software from reliable companies.

In addition, he said, with the help of the copyright administration, a software union of big computer companies nationwide has been set up to follow up on violations.

China announced yesterday that it is preparing an intensive operation in software stores nationwide, to seize "illegally copied products on open sale", similar to the crackdown on compact discs last year.

#### **Guangdong Opens 77th Export Commodity Fair 15 Apr**

OW1504162995 Beijing XINHUA in English 1547  
GMT 15 Apr 95

[FBIS Transcribed Text] Guangzhou, April 15 (XINHUA)—The 77th China Export Commodity Fair opened today in Guangzhou, capital of south China's Guangdong Province.

Nearly 3,000 guests from 72 countries and regions attended the opening ceremony.

The guests included some famous figures from Hong Kong and Macao and trade officials of foreign countries.

More than 2,600 Chinese companies will exhibit their products at the two-week-long fair, which cover textiles, garments, arts and crafts, foodstuffs, local produces, animal husbandry products, metal ware, chemical products, machinery, electronics and pharmaceuticals.

Organizing officials said that starting from last fair, they rearranged the layout of the exhibits according to product categories, which was proved to be helpful to visitors who wish to select the most suitable items in a short period.

Last year's fair saw a business volume of more than 10 billion U.S. dollars and attracted over 50,000 businessmen.

#### **Guangzhou Benefits From Use of Foreign Loans**

OW1604054395 Beijing XINHUA in English 0257  
GMT 16 Apr 95

[FBIS Transcribed Text] Guangzhou, April 16 (XINHUA)—This capital of south China's Guangdong Province has received loans and grants of 796 million US dollars from foreign governments for 52 projects since 1983.

About 568 million US dollars have already been used in 45 projects in fields ranging from communications, power, telecommunications, municipal engineering, machinery, electronics, building materials, medicines, textiles, agriculture, livestock, science, and education.

Thirty five projects have been completed and gone into operation.

While introducing overseas funds to help improve people's living conditions, Guangzhou has managed to attract loans to fuel economic and technological development.

After the first foreign government loan updated Guangzhou Paper Mill's equipment, the mill became the best in China.

Guangzhou has taken strict measures to ensure that the loans are used efficiently.

It used five overseas loans to install about 600,000 program-controlled telephone lines, and 500,000 lines have been put into use.

More than six million US dollars of Italian loans are used in the establishment of five chicken farms, which have provided a large amount of eggs and chicken for the city.

The European Community financed a dairy project, which has supplied various dairy products for Guangzhou since its inauguration in 1988.

The No.1 subway in Guangzhou is benefiting from a 350 million Deutsche mark German loan, and another 18.5 million Deutsche mark German loan is being used in building a sewage treatment plant.

### Agriculture

#### Jiang Chunyun Urges Comprehensive Development

OW1604163795 Beijing XINHUA in English 1450  
GMT 16 Apr 95

[FBIS Transcribed Text] Nanning, April 16 (XINHUA)—China's rural areas must step up opening to the outside world with the focus on attracting more investment and introducing technology and advanced management expertise from overseas and the rest parts of the country while deepening rural reform.

These remarks were made by Jiang Chunyun, vice premier of the State Council and member of the Political Bureau and the Secretariat of the Communist Party Central Committee, during an inspection tour of south-west China's Guangxi Zhuang Autonomous Region from 10 to 16 of this month.

Over the recent years, he said, China has made remarkable progress in rural reform. But rural areas have lagged behind urban areas and agriculture falls behind industry and service trade in terms of opening to the outside world.

Accompanied by regional party chief and chairman of Guangxi Zhuang Autonomous Region, Jiang visited Beihai, Qinzhou, Hechi and Baise in the autonomous region.

He said China has witnessed rapid agricultural development. In the long run, however, China is faced with a contradiction between sustained population growth and rapid decline of arable land.

To meet the growing demand for agricultural products while ensuring income increase for farmers, he said, China has to develop agriculture comprehensively.

To achieve comprehensive agricultural development, he said, efforts should be made to improve farming conditions and ecological environment, increase input in agriculture, promote technology application, increase the production of grain, cotton, oil and sugar bearing products, and forestry and fruit products, and develop fishery, animal husbandry, processing and transportation. After visiting farmers and areas affected by recent rainstorms and hailstones, Jiang emphasized the importance of water conservancy projects. Efforts must be made to make better use of water resources and harness major rivers, he said, adding that the construction of water conservancy projects is a fundamental measure to increase agricultural production.

He urged localities to work hard to attract more overseas investment for the comprehensive agricultural development by way of direct investment, trade, joint ventures, leasing and transfer of land-use rights.

#### 'Economic Green Paper' Points Out Rural Problems

HK1604064195 Beijing CHINA DAILY in English 15  
Apr 95 p 2

[By Gao Anming: "Report Calls For Bumper Harvest"]

[FBIS Transcribed Text] Chinese farmers are expected to produce more grain this year compared to last, according to a study published yesterday.

The Economic Green Paper—An Annual Report on Chinese Rural Economic Development, says the country may produce 454.5 billion kilograms of grain this year if there are no serious natural disasters. That would be 10 billion kilograms more than last year.

The paper also warns that urban incomes are outstripping rural incomes, and says this pattern could eventually undermine economic growth.

Expected grain output for 1995 is close to the record high of 456.5 billion kilograms in 1993.

Grain output dropped 12 billion kilograms last year, squeezing the national food supply and the decline was quoted by some experts as a factor behind soaring food prices.

The green paper is jointly produced by the Institute of Rural Development of the Chinese Academy of Social Sciences and the Department of Rural Social Economy of the State Statistics Bureau.

More than 50 agricultural experts from the institute, other academic bodies and government ministries took part in a seminar yesterday to mark the publication of the book.

The green paper predicts rural non-agricultural output value will grow 30 per cent this year if the gross domestic product rises 10.5 per cent. The increase will be 5 percentage points less than that of 1994.

Farmers will make 1,415 yuan (\$168) per capita, 16 per cent more than last year.

However, the actual increase might be only 3 to 4 per cent after taking inflation into account.

It urges the government to guarantee the supply of fertilizers and pesticides. Other news reports say chemical fertilizers are in short supply, pushing prices sky-high.

The report also calls on the authorities to ensure that budgeted capital investment and bank loans to agriculture be carried out as planned. In the last few years, planned spending often fell through or failed to reach farmers.

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Although farmers made 1,220 yuan (\$145) per person last year, 5 per cent more than the previous year, the income gap between rural and urban residents continued to widen because urbanites earned more. The income ratio between urban and rural residents was 2.63:1, the largest since 1978, when China started economic reforms.

The per capita consumption ratio between cities and the countryside was 3.4:1, the highest since 1952.

Experts warn the widening gap could disrupt the balance between rural and urban development and undermine national economic growth.

The paper indicates that the rural economy is continuing to undergo a structural shift. Agricultural production made up only 20 per cent of the gross rural output last year, compared with 27 per cent in the previous year. Rural industries turned out 62 per cent of the rural output, 5 percentage points higher than 1993. The share of rural construction, transportation and catering businesses was 18 per cent, up 1 percentage point.

#### **Shandong Secretary on Agricultural Work**

SK1704072295 Jinan DAZHONG RIBAO in Chinese  
11 Mar 95 pp 1, 2

[FBIS Translated Text] Zhao Zhihao, secretary of the provincial party committee, gave an important speech at the provincial rural work conference held on the morning of 10 March. He pointed out: Party committees and governments at all levels should conscientiously study and implement the guidelines of the central rural work conference, realistically place agriculture in the lead of all economic tasks, and rapidly make our province jump from a big agricultural province to an agriculturally strong province.

The central topic for discussion at this conference was to study and implement the guidelines of the recently held central rural work conference, sum up and exchange experiences of all localities in accelerating the development of agriculture and rural economy, study and work out plans for agricultural and rural work for this year and for some time to come, further enhance the understanding of agriculture and rural work of the higher and the lower levels across the province, keep in step, expand measures, and enhance the province's agricultural and rural work to a new level.

Provincial leaders Zhao Zhihao, Li Chunting, Chen Jianguo, Song Fatang, Tan Fude, Dong Fengji, Sun Shuyi, Wang Keyu, Ma Shizhong, Wu Aiyang, Shao Guifang, and Wang Yuan attended the conference. Xiao Wanjun, deputy director of the Central Policy Research Center, also attended the conference. Li Chunting, deputy secretary of the provincial party committee and governor, presided over the conference. Chen Jianguo, deputy secretary of the provincial party committee and vice governor, relayed the guidelines of the central rural work conference.

Comrade Zhao Zhihao who was attending the National People's Congress in Beijing made a special trip to Jinan to attend the conference and offered views in four aspects on how to successfully carry out agricultural and rural work.

First, it is necessary to clearly understand the situation and enhance recognition of the foundation status of agriculture.

Zhao Zhihao said: To enhance understanding of the agricultural and rural work, first, we must correctly analyze the current rural situation, keep a clear head, and know the situation fairly well. During recent years, our province has rapidly developed the rural economy and the situation has been good. Last year the added value of agriculture reached 77.5 billion yuan, an increase of 7.3 percent over the previous year; the total output of grain reached 40.911 million tonnes, which was the same as the previous year; the output of cotton totaled 559,000 tonnes, an increase of 36.3 percent; the output of oil-bearing crops totaled 3.383 million tonnes, up 26 percent; the added value of industry at and below the township level was 70.4 billion yuan, up 32.5 percent; the average per capita net income of peasants reached 1,320 yuan, an increase of 367 yuan, showing an actual increase of 8.6 percent if the price rise factors were excluded, marking the period as the year with the most rapid increase during recent years. All rural tasks, including rural reform, readjustment of the industrial structure, agricultural invigoration through science and technology, the work of supporting the poor people in the rural areas, and the implementation of the industrialization strategy, were further strengthened; and the degree of specialization, marketization, and socialization of the rural economy was noticeably enhanced. The cohesion and combat strength of rural grass-roots party organizations were strengthened and new strides were made in building the rural socialist spiritual civilization, democracy, and the legal system. However, at present there are still many problems in the agricultural and rural work and some of them are quite prominent. Although our province is a big agricultural province, it is not an agriculturally strong one. "Big but not strong" is the obvious characteristic of our province's agriculture and rural economy. The weak agricultural foundation, the lack of freshwater resources, the serious shortage of agricultural infrastructure facilities, and the low ability to resist natural disasters will make the agricultural sector suffer big fluctuations when serious disasters occur. This shows that we still have not fundamentally ended the situation of "relying on the mercy of the elements." In addition, our province's agricultural development is very uneven, the agricultural comparable efficiency is quite low, and in some localities, the rural grass-roots organizations have failed to realistically give play to their role, and the masses have lots of complaints about this. The public security in some villages is poor and the masses do not feel safe. We must always keep a clear mind, enhance the ideology of suffering hardships

and the sense of crisis, and more consciously stress and strengthen agricultural and rural work.

He pointed out: To enhance understanding of agricultural and rural work, we must recognize that economic and social development has relied more and more on agriculture, and the pressure on rural work has become greater. Our province has witnessed sustained and rapid development in the national economy since the more than 10 years of reform. One of the important experiences in this is that we have developed agriculture and the rural economy in a fairly rapid and better manner. One of the important reasons for the appearance of some contradictions and problems, such as the overly rapid rise in the commodity prices during the rapid economic development of recent years, is the stagnancy in agricultural development. We will have greater difficulties in agricultural and rural economic development and face some irreversible factors of restraint; the reduction in lands, the serious shortage of water resources, and the increase in population during a certain period have imposed tremendous pressures on agricultural development and set new and higher demands on agriculture and the rural economy.

He stressed: To enhance understanding of agriculture and rural work, we should also recognize that agricultural development is not only an economic issue but also a major political issue. Only by maintaining stability in the rural areas can we stabilize the overall situation.

Party committees and governments at all levels across the province should approach agricultural and rural work from the high plane of the overall situation, strategy, and politics; fully understand the major and practical significance and profound historical significance of strengthening the agricultural foundation and accelerating agricultural development; and attain the goal of Comrade Jiang Zemin's demand that we should strengthen agricultural and rural work genuinely not superficially, actually not orally, and wholeheartedly not partially.

Second, the objective of building an agriculturally strong province and the major tasks for this year's agricultural and rural work.

Zhao Zhihao said: The provincial party committee and government have decided that the overall conception of our province's agricultural and rural economic development for the next 10 years is to realize the jump from a big agricultural province to an agriculturally strong province, form a new pattern of modernized farming and rural economy characterized by a rational layout, coordinated structure, advanced technology, high economic efficiency, and strong comprehensive production capacity, and build a prosperous and civilized socialist new countryside. To realize this objective, the overall demands are to follow the market economic law, rely on scientific and technological progress, regard deepening reform as motivation and increasing input as the guarantee, consolidate and develop the planting industry and

aquaculture, vigorously run the secondary and tertiary industries, rationally adjust the rural economic structure, follow the path of industrialization, unceasingly increase rural economic efficiency and the income of peasants, and guarantee a sustained, steady, and rapid development in agriculture and the rural economy. The principal fighting objectives are: The balance of economic aggregates should show a fairly big increase; the added value of agriculture should increase by more than 5 percent on average every year; the output of grain, cotton, and oil-bearing crops should increase steadily; and the average per capita of grain should be 500 kg; the structures of industry, products, and employment should be highly optimized; the rate of quality major agricultural products should reach 80 percent; the commercial rate of agricultural products should be more than 70 percent; and the export-oriented degree of the rural economy should reach 15 percent; the proportion of nonagricultural industry should reach 90 percent or so; and the proportion of nonagricultural labor forces should reach 60 percent; major progress should be made in the campaign of invigorating agriculture with science and technology; the proportion of scientific and technological progress in rural economic growth should reach more than 50 percent; the quality of rural labor forces should be enhanced noticeably; the educational level of young people in the rural areas should generally attain the junior middle school standard or above and the rural young people should skillfully master one or two practical technologies; the mechanized farming installations should be greatly enhanced; the quality of agricultural environment should be noticeably improved; the target of combining the urban economy with the rural economy should be basically realized; the proportion of the urban population in the total population should be 45 percent or so; the living standards of peasants should be more prosperous; the average per capita net income of peasants should increase by more than 6 percent every year (if the price rise factors are excluded); the cultural, recreation, and health-care systems should be more perfect; and the degree of rural spiritual civilization should be enhanced to a new level.

He pointed out: Struggling for 10 years to realize the leap towards an agriculturally strong province is a grand cause, and the tasks are glorious but arduous. In the course of building an agriculturally strong province, all localities should prominently grasp well the following few points: First, we should suit measures to local conditions and do a good job in making plans. The planned targets should tally and link up with the Ninth Five-Year Plan and the "three-step strategic objective for economic development, and by no means should they be disconnected or allowed to act on independently from the plan. Second, we should give play to advantages and find a correct way. Third, we should grasp the overall situation with breakthroughs in key areas. It is necessary to firmly foster the ideology of "strengthening agriculture by producing quality products" and the concept of "selecting the best and eliminating the inferior," and

create a number of brand-name agricultural products that can have competitive ability on the international and domestic markets.

Zhao Zhihao also worked out plans for this year's agricultural and rural work. He said: Party committees and governments at all levels across the province should comprehensively implement the guidelines of the central rural work conference, firmly implement the party's various rural policies, unceasingly promote the deepening of rural reform and fully mobilize the enthusiasm of peasants; actively implement the strategy of industrialization, expand agricultural input, do a good job in invigorating agriculture with science and technology, improve the agricultural production conditions, develop high-yield, fine-quality, and high-efficient farming, and raise the agricultural comprehensive production capacity. This year, we should give prominence to the production of grain, cotton, and oil-bearing crops and grasp it well. We must not simply use the principle of "efficiency" while dealing with grain and cotton production or simply rely on the market itself to regulate grain and cotton production. We must try by all possible means to expand measures and guarantee that this year's total output of grain will reach more than 40 million tonnes, that of cotton, 600,000 tonnes, and peanuts, 2.6 million tonnes, and the output of meat, aquatic products, vegetables, and fruits will relatively increase, the added value of agriculture will increase by 5 percent, and the average per capita net income of peasants will increase by 20 percent. On the basis of guaranteeing an increase in the output of grain, cotton, and oil-bearing crops, we should actively develop diversified economy and township enterprises, pay special attention to grasping the "vegetable basket" project, guarantee the supply of essential farm and sideline products, actively promote the building of spiritual civilization, democracy, and the legal system in the rural areas, and create a good start in implementing the strategy of building agriculturally strong province. Giving impetus to work, deepening reform, expanding opening up, and comprehensively implementing the policy measure for strengthening agriculture constitute the third issue which Zhao Zhihao stressed. He pointed out: The fundamental way to strengthen agricultural and rural work is to deepen reform, expand opening up, and implement a series of policies and measures proposed by the central and provincial authorities. At present, we must pay special attention to grasping the following six tasks well:

A. We should comprehensively implement all policies on supporting agricultural development and safeguard and mobilize the enthusiasm of peasants. First of all, we should implement all policy measures for protecting, supporting, and developing agriculture in places where needed. After this conference, all levels should organize competent personnel to conduct a comprehensive inspection on the situation of implementing all policies and see which policies have been implemented, have not been implemented, or have not been implemented well, the reason for the failure in implementing the policies,

and which level, department, or aspect has created the obstacles. On the basis of sizing up the situation, we should also study and propose methods and views for solving problems. He stressed: In the future, all policy measures which have been announced to the masses must be implemented and fulfilled to the letter, promises must be kept and action must be resolute in an effort to win trust from the people. Continued efforts should be made to reduce the peasants' burdens. Party committees and governments at all levels should strengthen supervision and inspection over this work and strictly investigate and handle those who advance against the wind, never manage things in line with state regulations, and continue to "arbitrarily collect fees, fines, and donations." The fundamental way to solve this problem is to vigorously develop and expand the collective economy, and rely on collective strength to run all rural undertakings well.

We should continue to adopt feasible measures and strictly control the random rise in the prices of agricultural production means. It is necessary to further deepen rural reform, and on the basis of stabilizing and improving the family-based output-related contract responsibility system and the dual management system characterized by centralized and decentralized managements, establish and improve the land transfer system, uphold ownership rights, stabilize the contract rights, and vitalize the use of rights. When the contract term is expired, we should sign new contracts on time and let the masses feel an "ease of mind" earlier. We should actively develop a rural socialized service system, establish and improve the service network before, during, and after production in the rural areas, make things convenient for the production and management of peasants, enable peasants to know the market needs before production, the amount of needs, and how big the efficiency may be; we must be able to sell the products after production on time and realize the value of the products.

B. We should further readjust and optimize the rural production setup and guarantee the supply of essential major agricultural products and the stable increase in peasants' income. We should shift the focus of work from adjusting the quantity to raising quality, and while raising the output and output value, raise the product quality and grade and the economic efficiency, strengthen the competitive ability on the market, and realize an increase in agricultural production and in the income of peasants. In line with these demands, all localities should proceed from local reality and make arrangements for their own industrial production and layout. In adjusting the planting structure, we should "increase grain production, guarantee cotton output, and grasp efficiency," and follow the path of high yield, fine quality, and high efficiency. In adjusting the structure of large-scale farming, we should continue to grasp the production of some strong items such as livestock, aquatic products, fruits, and vegetables. In adjusting the whole rural industrial structure, it is necessary to take township enterprises as the priority and vigorously run



the secondary and tertiary industries because these constitute the road one must take in realizing rural modernization.

C. We should implement the strategy of industrialization and make all rural industries become more specialized, socialized, and modernized. He pointed out: Industrialized management can help resolve the contradictions between decentralized management and efficiency of scale and between small production and large market. It is an effective way for accelerating the progress of modernization of agriculture and the rural economy. The key to implementing industrialized management lies in building leading enterprises. Last year the provincial authorities decided to give priority to supporting 100 farm and sideline product processing enterprises. Relevant departments should step up efforts to implement this project and rapidly give play to the leading role of these enterprises. All cities, prefectures, and counties should grasp their own priorities. Efforts should be made to actively explore ways to perfect the internal mechanism of industrialized management in line with the market economic laws, adopt various forms such as promoting shareholding cooperation and signing contracts, rationally define the responsibility, right, and interest of all sectors practicing industrialized management, properly handle the relationship between leading enterprises and bases as well as peasant households, and between leading enterprises and other service organizations, boost the enthusiasm of all sectors, and accelerate the process of industrialized development.

D. We should unceasingly increase agricultural input and intensify the agricultural comprehensive production capacity. In the supply of funds, first of all, we should guarantee agricultural needs. It is better to start fewer industrial projects for the time being and set aside money for strengthening agriculture. We should continue to adjust the distribution structure of national income, raise the proportion of fund for agricultural use in the funds covered by the financial budget, in capital construction investment, and in credit funds, and strive to make the annual growth of agricultural fund higher than the increase in the total scope of funds. We should establish the agricultural investment mechanism of raising funds through various channels and layers and guarantee the normal sources of funds. It is necessary to strengthen the system of managing, supervising, and inspecting items on agricultural investment funds, prevent the retention, misappropriation, and waste of such funds, and give full play to the efficiency of using funds.

We should focus agricultural input on strengthening the building of agricultural infrastructure facilities and enhancing the agricultural comprehensive production capacity, make special efforts to accelerate the pace of building water conservation projects, raise the ability to combat flood and drain flooded fields, and increase the farming areas that can ensure output despite drought and waterlogging. We should pay special attention to protecting cultivated lands, vigorously carry out tree

planting and afforestation, unceasingly increase forests and vegetation, and create a good ecological environment. We should do a good job in building circulation facilities and strive to devote several years to remarkably improving the building of agricultural product processing, storing, and marketing facilities, as well as the rural communications, transportation, telecommunications, and information undertakings. It is necessary to vigorously develop mechanized farming and industry for agricultural use, and arm the agricultural sector with advanced materials, technology, and installations.

E. We should promote scientific and technological progress and raise the scientific and technological level of agriculture. At present, problems such as the serious shortage of investment in agricultural science and technology, the little reserve of science and technologies, the slow conversion of practical as well as high and new technological findings, the poor working conditions of agricultural science workers, the low material benefits, and the unstable agricultural contingents are still very prominent. If we fail to solve these problems, scientific and technological progress in the agricultural sector and pushing agriculture to a new stage will be an empty talk. We must fully understand this. We should exert strenuous efforts to grasp the popularization and application of agricultural conventional technology and high and new technology. In line with the agricultural technology priorities defined for polarization this year by the State Commission of Science and Technology and the Ministry of Agriculture, all localities should formulate their own popularization items in line with reality, and implement them one by one. We should realistically strengthen the tackling of agricultural science research projects and strive to increase the scientific and technological reserve in the agricultural sector; regard problems which urgently need solution in the course of agricultural production as the main targets, conduct joint research work to tackle problems in cultivation of fine seeds, technologies for preventing and curing major disease and insect pests, new technologies for the planting and breeding industries, and agricultural biological engineering projects, make breakthroughs in key areas, and rapidly resolve the technological factors that restrict agriculture to enter a new stage. Efforts should be made to strengthen the research and introduction of agricultural high and new technologies, unceasingly provide new technology reserve for agricultural development, and instill new technological vitality to agriculture. It is necessary to formulate preferential policies and set a time limit for restoring and perfecting the agricultural science and technology popularization network. Agricultural technology popularization departments are the important forces for supporting agricultural development. So, we must stabilize their organs, replenish the contingents, strengthen measures, and increase funds, and must not "stop their operation, "change their nature" or cancel them in the course of organizational reform.

We must conscientiously implement the relevant policies, help agricultural science workers solve some practical problems, and fully boost their working enthusiasm. We should extensively conduct mass scientific and technical trainings, enhance the scientific and technical level of peasants, and form mighty scientific and technical contingents of backbone cadres in the rural areas.

F. We should persist in taking a two-handed approach in work and promote comprehensive social progress in the rural areas. It is necessary to realistically strengthen the building of rural grass-roots party organizations, accelerate the building of spiritual civilization, democracy, and the legal system in the rural areas, and promote a comprehensive rural economic and social progress in the province. Strenuous efforts should be made to grasp the building of supporting village-level organizations with party branches as the core, pay special attention to consolidating poor and backward village party branches and rapidly change their backward outlook. All city, prefectural, and county party committees should pay special attention to building of township and town party committees and changing the work style of cadres. It is necessary to deeply conduct education on socialist theories with Chinese characteristics and on basic line and party constitution, enhance the political consciousness of the broad masses of party members, and serve as good leaders of the masses. We should extensively conduct activities on studying and applying science among the broad masses of peasants, particularly the young people in the rural areas, and raise their scientific and cultural levels. We should strengthen the building of democracy and the legal system in the rural areas, comprehensively improve public security, deal blows to all sorts of criminal activities, and guarantee that the broad masses of peasants will live and work in peace and contentment.

We should promote justice, conduct active and progressive cultural activities, promote the habit of leading a healthy and civilized life, deal blows to evil practices, eliminate feudal superstitions, and create a good social environment for agricultural and rural economic development.

The fourth issue stressed by Zhao Zhihao is to strengthen leadership and form a strong joint force for accelerating agricultural and rural economic development. He pointed out: The key to rapidly realizing the leap from a big agricultural province to an agriculturally strong province lies in leadership. He called on leading comrades of the party committees and governments at all levels to realistically place agriculture in the lead of economic work and devote greater energy on grasping agriculture. It is necessary to establish strict responsibility system, regard agriculture and rural work as the important content of assessing the work of party committees and governments at all levels. If problems occur in the agriculture and rural work of a locality, the secretary, mayor, commissioner, and county head of that locality should be called to account.

He stressed: The major policies for agriculture and rural work have been defined, the policy measures are quite clear, and the crucial issue involved now is to implement them to the letter. We should proceed from reality while doing everything and deeply conduct investigation and study. All leading cadres should go deeply to villages and households to inspect and learn about the implementation of various central policies and measures, particularly grasp the contradictions and big problems that affect the whole province's agricultural and rural economic development, conduct extensive and thorough investigations on the hot issues and difficult points reflected strongly by the masses of peasants, accurately find out the symptoms, and propose feasible countermeasures. We should pay attention to discovering, cultivating, summing up, and popularizing all sorts of typical examples and experiences, do a better job in running all kinds of agricultural development demonstration zones, and give play to their role in leading the way, serving as examples, and bringing along development. Continued efforts should be made to implement the method of sending cadres down to the less developed areas to help them carry out work and help the people there to rapidly shake off poverty and become prosperous. The provincial party committee has called on party and government cadres at all levels to recall their feelings towards the peasants, study agriculture, understand peasants, and strengthen affection for peasants. It is necessary to educate cadres at all levels to promote the party's fine traditions and work style, be clean and honest, resolutely fight corruption, oppose bureaucracy, boastfulness, and false reports, speak the truth, do practical things, and seek actual results. We should care for the living of the masses, always keep in mind the welfare and hardships of the peasant masses, be a close friend of peasants, and further maintain a closer relationship between the party and the masses and between cadres and the masses.

Zhao Zhihao emphatically pointed out: We must further strengthen the role of departments in charge of comprehensive rural work and the agricultural administrative and management departments; strengthen coordination, and form a strong joint force. Grasping agriculture is the bounden duty of the agricultural departments. Other departments should also make concerted efforts to vigorously support agriculture, be concerned with what the peasants are concerned with, give them what they need, make more contributions to agriculture and rural economic development, never create obstacles, or entrap peasants. Party committees and governments at all levels should mobilize and organize all departments and units and the whole society to support agricultural development, coordinate the relations of all sectors, form a strong joint force, and promote agriculture and rural economy to unceasingly enter new heights.

At today's conference, a number of advanced collectives and individuals outstanding in the forestry, water conservation, and cotton work were commended by the

provincial party committee and government. Vice Governor Shao Guifang announced the decision of commendation.

#### **Sichuan Secretary Addresses Work Meeting**

*HK1504080895 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 31 Mar 95*

[FBIS Translated Text] The provincial rural work meeting, which was held by the provincial party committee, concluded successfully on the afternoon of 31 March.

Provincial Party Secretary Xie Shijie addressed the meeting. He said: We should fully understand the importance and urgency of strengthening agriculture, truly make agriculture the top priority of economic work, effectively protect and mobilize the enthusiasm of the peasants and rural cadres at the grass-roots level, promote rural economic development and social stability, and try every possible means to reap this year's agricultural bumper harvest.

Xie Shijie pointed out: The agricultural and rural question is, in the final analysis, a question of the peasants. Increasing agricultural production and financial revenues depends on the peasants' enthusiasm for production. At present, in order to protect and mobilize the peasants' enthusiasm, apart from stabilizing the contract responsibility system with remuneration linked to output, we should place great emphasis on continuing to stabilize the peasants' burdens, firmly guard against the rebound of the practice of making the peasants' burdens heavier, strive to stabilize the purchase and marketing of grain, cotton, and edible oil, ensure the supply of agricultural capital goods, and effectively strengthen the building of organizations at the grass-roots level.

Xie Shijie urged the cadres and masses of people in all localities to have a sober understanding of the situation, take note of good opportunities and favorable conditions while confronted with difficulties and problems, give play to the traditional strong point of overcoming difficulties, mobilize all trades and professions to support agriculture, make concerted efforts to fight well the overall battle of combating natural disasters to reap bumper harvests, and strive for relatively great development of agriculture and the rural economy.

Provincial leaders, including Yang Chonghui, Zhang Zhongwei, and Gan Yuping, attend the meeting.

#### **Fund To Hedge Against Grain Price Fluctuation**

*OW1404132795 Beijing XINHUA in English 0919 GMT 14 Apr 95*

[FBIS Transcribed Text] Chengdu, April 14 (XINHUA)—Southwest China's Sichuan Province, a leading grain producer, has set up a special grain risk fund to hedge against price fluctuations in the grain market.

The fund, to be jointly supported by provincial and local governments with a total investment of 500 million yuan, including 47.2 percent from the provincial government, is aimed at stabilizing the grain market, protecting the interests of both producers and consumers, and enhancing grain production and circulation.

The fund will be under the close supervision of various financial departments and banks to ensure it is only used for the purpose for which it was set up.

The provincial government has also stipulated that financial departments at all levels will take the risk fund into account when they draw up their annual budgets, and the fund will enjoy priority in allocation.

The province hopes to accumulate a considerable amount of money for the fund within the next few years in order to ensure long-term stability for the grain market, which is important for social and economic development.

#### **Henan Secretary Inspects Disaster Areas**

*HK1504080695 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 1 Apr 95*

[FBIS Translated Excerpt] Between 28 and 31 March, Secretary Li Changchun of the Henan Provincial CPC Committee led a group of responsible comrades of various provincial departments to inspect Shangshui, Shenqiu, Dancheng Counties of Zhoukou Prefecture, where they inquired about the conditions of the natural disasters and the situation of local people's self-salvation through production.

Li Changchun and his colleagues visited many villages and peasant families from early morning to late evening in order to discover the facts. Everywhere, Li Changchun first inspected the distribution of relief and donation materials among the villagers. He carefully examined the coupon books issued by the counties and townships and asked the local people about their methods of self-salvation and production. Li Changchun called on more than 20 households in the disaster-afflicted areas.

After listening to the work report by the prefectural government and prefectural party committee of Zhoukou, Li Changchun said: This year, I have visited your prefecture three times and have visited Dancheng County twice to learn about the conditions of natural disasters. The prefectural party committee and the prefectural government has done a great deal of work for resisting natural disasters and has achieved positive results. Proper arrangements were made for the livelihood of the masses in the disaster-afflicted areas. The summer crops are growing in a good condition, and there is high enthusiasm for production among the masses. Public order in the disaster-afflicted areas has been maintained properly.

Li Changchun set forth requirements for the work in Zhoukou Prefecture in the next stage. First, efforts



should be made to properly handle the work of distributing relief materials and restoring normal production so that the masses can safely tide over the difficult period. Work should be done carefully in a down-to-earth manner. The masses must have sufficient food, clothing, and dwelling. Second, effort should be made to strive for good harvests of summer crops. A good harvest of summer crops is the best method of self-salvation through production. [passage omitted] Third, the cadres and masses in the disaster-afflicted areas should be guided to seriously sum up their positive and negative experiences. The work responsibility system for cadres should be properly implemented. County and township governments should appropriate some money to keep a stock of grain in reserve for the local people. Measures should be adopted to adjust and regulate the purchase of grain. In the future, greater efforts should be made to build up drought-resistant facilities in Zhoukou Prefecture. Cadres should be helped to understand the importance of this issue, and the work should be examined in every township. [passage omitted]

#### **Xinjiang, Shanghai Agree To Transfer Textile Firms**

OW1704062995 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 21 Mar 95

[Announcer-read report over video; from the "Xinjiang News" program]

[FBIS Translated Text] To implement the guidelines of the State Council leading comrade's instruction on restructuring the textile industry by transferring some spinning capacity from the coastal region to Xinjiang, Wu Wenying, chairman of the Chinese General Association of Textile Industry; Shanghai Mayor Xu Kuangdi; Wang Lequan, acting secretary of the regional party committee; Regional Chairman Abdulahat Abdurixit; and senior officials of the Shanghai and Xinjiang Textile Industry Bureaus held talks in Beijing's Jingxi Guest House on 16 March.

They reached an initial agreement on transferring textile enterprises to Xinjiang. Based on the principles of mutual benefits and supplementing each other with one's strong points, the two sides will work actively to transfer Shanghai cotton textile enterprises' advanced equipment through various ways and means to Xinjiang. Shanghai will give vigorous support to Xinjiang in terms of technology and personnel in a bid to promote technical exchange and service, and help Xinjiang become a production base of China's quality cotton yarns and cloths. Xinjiang will give preferential treatment to Shanghai's enterprises transferred to Xinjiang in terms of taxation, land use, and cotton supply. The two sides agreed to transfer textile enterprises with a total of 500,000 spindles of production capacity, and to complete the transfer of textile enterprises with 200,000-spindle production capacity in the near future.

#### **Water-Saving Agriculture To Be Promoted**

OW1604072895 Beijing XINHUA in English 0711 GMT 16 Apr 95

[FBIS Transcribed Text] Beijing, April 16 (XINHUA)—Some 40 Chinese scientists recently inspected a water-saving irrigation project in Langfang, a 90-minute drive from Beijing, in north China's Hebei Province.

Hu Yuqi, a leading Chinese agronomist, gave a lecture after the inspection on water-saving irrigation.

The country launched the water-saving irrigation program in north China in July 1990.

"The pilot irrigation areas include some in Qingfeng county in central China's Henan Province and Xiaxian County in north China's Shanxi Province as well as in Langfang," he said.

Up to date, the total area of the fields has reached 38,600 mu (about 2,573 ha) and the benefited area amounted to 500,000 mu (33,333 ha).

Zhu Guangya, president of the Association for Science and Technology, said that it is imperative to promote water-saving irrigation in agriculture, which largely depends on scientific and technological development.

#### **\*Shaanxi Province Reports Cotton Area**

95CE0357G Beijing ZHONGGUO FANGZHI BAO in Chinese 27 Feb 95 p 1

[FBIS Summary] This year the planned cotton area in Shaanxi Province is 1.5 million mu.

#### **\*Guangxi Reports Spring Grain Area**

95CE0357H Chongqing XINAN JINGJI RIBAO in Chinese 6 Apr 95 p 1

[FBIS Summary] As of 11 March, the spring grain area in Guangxi was 4,409,800 mu, an increase of 10.14 percent over the same period in 1994; and the soybean, sweet potato, and coarse grain area exceeded 610,000 mu, an increase of 130,000 mu. The early rice area was 17,070,000 mu, fulfilling the plan; and the corn area was 6,760,000 mu, an increase of 12.67 percent.

#### **\*Anhui Province Sets Agricultural Goals for 1995**

95CE0357I Hefei ANHUI RIBAO in Chinese 29 Mar 95 p 1

[FBIS Summary] Anhui Province has set the following goals for agriculture in 1995: the gross value of agricultural output will reach 48.3 billion yuan, a 6.5 percent increase; gross output of grain 26 billion kilograms, an 11.7 percent increase; gross output of cotton 300,000 tons, a 16.7 percent increase; gross output of oil crops 1,650,000 tons, a 9.6 percent increase; and gross output of meat 1,650,000 tons, a 2.6 percent increase. This year Anhui will procure 3.562 billion kilograms of contract grain.

## East Region

### Coverage of Fujian Secretary's Recent Activities

#### Stresses Enterprise Reform, Trade

HK1504080095 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 1 Apr 95

[FBIS Translated Text] Jia Qinglin, secretary of the provincial party committee and chairman of the Standing Committee of the Fujian Provincial People's Congress, yesterday attended the discussion meetings of the Xiamen and Sanming delegations at the current session of the provincial people's congress. He joined other deputies in deliberating the work report of the provincial government as well as the planning and financial reports.

At the meeting of the Sanming delegation, Jia Qinglin primarily talked about the development of the national economy and the establishment of the modern enterprise system. He said: In the development of the national economy, we should not only pursue higher output value and a higher growth rate; we should also make greater efforts to enhance economic efficiency and improve product quality. In particular, efforts should be made to optimize the economic structure, to make technological progress, and to raise efficiency through economies of scale. As there are a large number of state-owned enterprises in Sanming, it is hoped that Sanming will make active explorations in the area of enterprise reform, make efforts to transform the operational and management mechanisms, enhance economic efficiency, and eliminate business losses incurred by state-owned enterprises. Advanced enterprises and quality products should be boosted. A number of business groups composed of good enterprises should be set up so that the overall economic strength can be increased. Effort should be made to cultivate a number of successful entrepreneurs and enterprise managers. Government functions should be transformed so that a favorable environment can be created for economic development.

At the meeting of the Xiamen delegation, Jia Qinglin said: A consensus of opinion on Fujian's development strategy has been reached among all people here. With the Xiamen Special Economic Zone as the locomotive, Fujian's development will be led by the key area of southeast Fujian and will be supported by the vast interior and mountainous areas of the province. Jia Qinglin hoped that Xiamen would give play to its advantages in the development of the export-oriented economy and would also make new breakthroughs in its relations with Taiwan.

Provincial leaders Huang Jianshuang, Huang Wenlin, and Zhang Jiakun also joined Jia Qinglin in attending the meetings.

#### Discusses Report With Deputies

HK1604082995 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 2 Apr 95

[FBIS Translated Excerpt] Jia Qinglin, secretary of the provincial party committee and chairman of the provincial people's congress standing committee, examined the government work report with people's congress deputies from Ningde Prefecture yesterday. These deputies asked the provincial and local authorities to make joint efforts to expedite eastern Fujian's advance toward moderate prosperity. In the course of the discussion, Jia Qinglin carefully wrote down every question the deputies asked, and every proposal and opinion they raised. Subsequently, Jia Qinglin stressed: Resolving eastern Fujian's poverty is not the task of eastern Fujian's people alone; it is also a historic task of the Fujian people as a whole. The relevant provincial department must enthusiastically help Ningde Prefecture to escape poverty and become better off as soon as possible.

Jia Qinglin continued: The deputies have raised many good proposals for eastern Fujian's development. With the joint efforts of the provincial and local authorities, eastern Fujian definitely will escape poverty and advance toward moderate prosperity. Jia Qinglin pointed out: In expediting eastern Fujian's advance toward moderate prosperity, we must work steadily and make solid progress. [passage omitted]

#### Fujian Congress Hears Work Reports

HK1604081795 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 3 Apr 95

[FBIS Translated Excerpt] The Third Session of the Eighth Fujian Provincial People's Congress held a full meeting yesterday morning [3 April] to listen to the work reports by the provincial people's congress standing committee, the provincial higher people's court, and the provincial people's procuratorate. Huang Changxi, executive chairman of the presidium, presided over the meeting, at which 470 people's congress deputies were present. Authorized by the provincial people's congress standing committee, Yuan Qitong, vice chairman of the provincial people's congress standing committee, reported to the meeting on the standing committee's work since the Second Session of the Eighth Provincial People's Congress, saying: Over the past year, under the leadership of the provincial party committee, the provincial people's congress standing committee has focused on, and served the central task; put legislation, particularly economic legislation, in the first place in close accordance with the specific conditions of the socialist market economy structure; regarded those hot and difficult problems about which the masses are concerned as the focus of work by the people's congress; conscientiously performed all the duties entrusted by the Constitution and the law; strengthened the formation of the socialist democratic and legal systems; and made new headway in all work. [passage omitted]

Fang Zhongbing, president of the provincial court, presented a report on last year's work concerning the severe crackdown on crime, preserving social stability, bringing major economic crimes to trial, severely punishing economic crime according to law, strictly enforcing the law, and strengthening the formation of contingents. Fang Zhongbing said: This year is the last one for the thorough fulfillment of the Eighth Five-Year Plan, during which the tasks concerning reform, development, and stability are very heavy. Courts at all levels throughout the province must comprehensively strengthen their trial work, improve their law enforcement ability, and improve their court management and court contingents, so as to provide effective judicial and legal services for reform, development, and stability.

Zheng Yizheng, chief procurator of the provincial procuratorate, said in his report: Over the past year, procuratorates at all levels throughout the province have strictly enforced law, paid close attention to the implementation of principles on handling criminal cases, and concentrated their efforts on curbing corruption and bribery. Last year, 2,275 corruption, bribery, and other economic cases were filed for investigation, involving a total amount of more than 260 million yuan, thus making positive contributions to ensuring the smooth implementation of reform, opening up, and economic construction in Fujian.

Zheng Yizheng continued: This year, the main task in the procuratorate is strictly enforcing law; paying close attention to the conduct of trials; examining and handling major and important cases of corruption, bribery, and embezzlement; heavily, quickly, and severely cracking down on serious criminal offenses according to the law; strengthening supervision over law enforcement; using party building to improve court contingents; bringing procuratorates' role into full play; preserving the unified and correct enforcement of the law; protecting the authority of the party Central Committee; protecting social stability; promoting party building, a clean administration, and the establishment of the socialist democratic and legal systems; and ensuring the establishment and development of the socialist market economy structure.

The meeting ratified the method of election for the Third Session of the Eighth Fujian Provincial People's Congress. [passage omitted]

### **Jiangxi Leaders Relay Jiang Speeches**

HK1404040095 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GM 31 Mar 95

[FBIS Translated Excerpt] On 30-31 March, the provincial party committee and government held a meeting to relay, study and implement the important speeches made by General Secretary Jiang Zemin during his inspection tour of Jiangxi. The meeting mobilized the cadres and masses throughout the province to further push forward work in various aspects. Mao Zhiyong,

secretary of the provincial party committee, and Governor Wu Guanzheng, deputy secretary of the provincial party committee, each presided over a day of the two-day meeting. Provincial party committee Deputy Secretaries Zhu Zhihong and Lu Xiuzhen relayed important speeches made by General Secretary Jiang after he had listened to a work report by the provincial party committee and government, important speeches delivered at discussions held in Liantang and Jiangxiang, as well as important speeches made when meeting with public security and people's armed police force cadres. Participating comrades enthusiastically discussed these speeches in an excited state of mind. [passage omitted]

At the end of the meeting, Mao Zhiyong, provincial party committee secretary and Governor Wu Guanzheng, deputy secretary of the provincial party committee, delivered important speeches.

Mao Zhiyong put forward a three-point proposal on relaying, studying, and implementing well the important speeches of General Secretary Jiang, and on further pushing forward various kinds of work in Jiangxi. He said:

1. It is necessary to profoundly comprehend the great significance of General Secretary Jiang's speeches. His important speeches will give great impetus to our work this year, and will promote the more rapid development of Jiangxi's agriculture and rural work, as well as our overall work. They also will promote long-term development in our province.
2. It is necessary to use General Secretary Jiang's important speeches to unify the ideological understanding of cadres and masses throughout the province.

Mao Zhiyong stressed: In recent years, we have made greater progress in Jiangxi's work, and marked changes have taken place throughout the province. There has been an important reason contributing to all this: The provincial party committee, the provincial government, as well as party committees and governments at all levels, have kept in line with the CPC Central Committee, both ideologically and politically. The whole province has done fairly well in seeking unity in thinking. This is a strong rallying power for grasping reform and construction. Therefore, to study and implement General Secretary Jiang's important speeches, the most important issue is that we must use these speeches to further unify the ideological understanding of the cadres and masses throughout the province so as to develop even stronger rallying power for speeding up reform and development.

Mao Zhiyong added: First of all, we must unify our understanding with regard to the situation throughout the province. Furthermore, we must unify our understanding with regard to guiding thinking and thoughts on development for the work in Jiangxi. In other words, we must further unify our understanding with regard to the prospects of development in our province.



3. It is necessary to take General Secretary Jiang's important speeches as the motive force to fully create a new situation in Jiangxi's work.

First, the whole province must make efforts to create a new situation in our agricultural and rural work. Various localities and departments must conscientiously implement the spirit of the Central Rural Work Conference, give first priority to agriculture, and further ensure that all measures are in place. We must resolutely ensure that these measures are implemented in eight aspects. [passage omitted]

Second, we must increase the weight of our work to create a new situation in the efforts of Jiangxi's state-owned enterprises to turn from deficits to profits. In the coming two or three years, we must strive to minimize the number of loss-making enterprises, as well as the amount of their deficits. Judging from the present situation, we must particularly stress placing equal emphasis on making up deficits and increasing surpluses. While making great efforts to make up deficits, we must study more methods to increase surpluses by a wide margin. We must increase the economic efficiency of our state-owned enterprises as a whole.

Third, we must make concerted efforts to create a new situation in the building of spiritual civilization in Jiangxi. We must profoundly comprehend the spirit of General Secretary Jiang's important speeches, and mobilize all forces in all quarters throughout the province to push the building of spiritual civilization in our province to a new height, in the course of concentrating our efforts on grasping economic construction well.

Fourth, we must persist in attaching importance to unity, and in taking the whole situation into account so as to create a new situation in the efforts of cadres and masses in Jiangxi to promote unity and struggle hard. Cadres at all levels, as well as people throughout the province, must closely unite around the CPC Central Committee with Comrade Jiang Zemin as the core; resolutely implement the line, guiding principle, and policies of the central authorities; and ensure that the government decrees and orders are executed in full.

Various quarters must proceed from the general situation of reform, development, and stability; unite as one; cooperate well; keep each other informed; and promote exchanges and coordination. They must never be allowed to affect the general situation owing to undue emphasis on partial and local interests. As long as we persist in doing so, we will be able to overcome all difficulties, stand up to all tests, and make all kinds of new achievements, as General Secretary Jiang has pointed out.

In his speech, Governor Wu Guangzheng, deputy secretary of the provincial party committee, stressed: In the course of relaying the speeches, various localities and units must unify their understanding, take immediate action for implementing them, and make achievements.

In particular, they must pay attention this year to grasping the following work well:

1. They must well and truly grasp spring farming this year. On the one hand, they must grasp well the end-stage management of spring crops so as to ensure a good harvest. On the other hand, they must grasp well the sowing of early rice and the raising of rice seedlings. [passage omitted]

2. They must rapidly organize industrial production. They must take the initiative to make an effort. The fundamental way ahead for industry lies in relying on science and technology to develop new products, open up the market, and increase efficiency in the use of capital. To grasp industry, they must persist in attaching importance to promoting reform, remodeling, reorganization, and internal management. While grasping state-owned enterprises well, they also must do well in managing the three active factors of growth: Town and township enterprises, the individually operated economy, and foreign-funded enterprises. In particular, they must develop the county-run economy. They must devote more efforts to the three active factors of growth.

3. They must resolutely reduce the margin of price increases.

4. They must attach great importance to maintaining social stability.

5. They must make persistent and unswerving efforts to truly grasp energy, transportation, telecommunications, and water conservancy projects, as well as scientific and technical education, so as to increase the staying power for economic development.

Those who attended the meeting included leading comrades from the provincial party committee, provincial people's congress, provincial government, the provincial committee of the Chinese People's Political Consultative Conference, the provincial discipline inspection commission, and provincial military district; responsible comrades from various prefectures, cities, and organs directly under provincial authorities; members of the National People's Congress Standing Committee who were in Nanchang, as well as some veteran comrades.

#### Jiangxi Appoints New Party Secretary

OW1404140795 Beijing XINHUA in English 1337  
GMT 14 Apr 95

[FBIS Transcribed Text] Beijing, April 14 (XINHUA)—Wu Guanzheng, governor of east China's Jiangxi Province, has been approved to replace Mao Zhiyong to become the new secretary of Jiangxi Provincial Committee of the Communist Party of China.

The decision was made by the Central Committee of the Communist Party of China and was announced here today.

Also according to the decision, Mao Zhiyong will no longer hold the position of the member of the Standing Committee of Jiangxi Provincial Committee of CPC.

**Jiangxi Leaders Speak on Leadership Changes**

*HK1604080595 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 15 Apr 95*

[FBIS Translated Text] The Jiangxi Provincial CPC Committee held a meeting of leading cadres in Nanchang yesterday morning. Li Tielin, deputy director of the CPC Central Organization Department, announced a circular of the party Central Committee on changing the principle leader of the Jiangxi provincial party committee. The party Central Committee decided to appoint Comrade Wu Guanzheng to be secretary of the Jiangxi Provincial CPC Committee, and to relieve Comrade Mao Zhiyong from the office of secretary and standing committee member of the provincial party committee. Comrade Shu Shengyou and Comrade Shu Huiguo were appointed deputy secretaries of the Jiangxi Provincial CPC Committee. Mao Zhiyong presided over the meeting and made a speech. After announcing the CPC Central Committee's circular, Li Tielin also made a speech. Wu Guanzheng made a speech at the meeting.

Li Tielin said: The party central leadership's decision on changing the principal leading comrade of the Jiangxi provincial party committee was based on the consideration of making things conducive to Jiangxi's political and economic development, and its further social stability, and is conducive to the continuity of work, and to the consolidation and development of the good situation Jiangxi has created. The change is a normal personnel shift, with the new replacing the old. In past years, the leading body of the Jiangxi provincial party committee was united, and its cooperated in leading the cadres and people throughout the province to work hard and break new ground in making substantial developments in all undertakings. The leading body of the provincial party committee achieved great results.

Li Tielin said: In the change in the principal leaders of the provincial party committee, all parties concerned should cooperate positively, and should take the initiative in fulfilling their tasks. Members of all provincial leading bodies, and comrades in all provincial departments and all prefectures, cities, and counties, should remain faithful in the discharge of their duties, and should continue to work responsibly and conscientiously, in order to guarantee the normal operation of all institutions. At present, the general guidelines and overall work arrangements for the whole party have been explicitly laid down. The key lies in their effective implementation. The provincial party committee and government of Jiangxi put forward the objective of striving to raise the province's economic growth rate above the national average, and to move into the ranks of major economic indicators throughout the country. This year, they again called for concentrating energy on boosting the economy and making obvious changes in

one year, and for moving up to a new stage in three years. As long as people throughout the province—from top to bottom—make joint efforts, do down-to-earth work, and break new ground, Jiangxi certainly will be able to continuously advance reform, opening up, and undertakings in all fields, and to achieve its objectives.

In his speech, Comrade Mao Zhiyong said: The party Central Committee's circular on changing the principal leading comrades of the Jiangxi provincial party committee serves the overall interests of this province's work, and coincides with the unanimous proposal of the Standing Committee of the provincial party committee. The central leadership decided to appoint Comrade Guanzheng as secretary of the provincial party committee, and to appoint Comrade Shengyou and Comrade Huiguo as deputy secretaries of the provincial party committee, on the basis of giving full play to democracy and of following the mass line. The decision was made after the Central Organization Department dispatched cadres to carry out inspections, and after the central leading body had discussed the issue. The decision also is in keeping with the hopes and demands of the vast number of cadres and ordinary people in Jiangxi. We completely support the party Central Committee's decision.

The change in the principal leaders of the provincial party committee is indeed in the interest of this province's further political and economic development, and its social stability, and is in the interests of maintaining work continuity, and of the good situation in Jiangxi's reform, opening up, socialist modernization. It certainly will play a positive role in promoting reform and development, promoting the building of socialist spiritual civilization, developing the legal system and democracy, and promoting party building in this province. I firmly believe that in the future, under the direct leadership of the Standing Committee of the provincial party committee with Comrade Guanzheng at the core, this province's work in all fields will be done better. Mao Zhiyong said: During the seven years of being in charge of work of the provincial party committee, I enjoyed the great support of other members of the standing committee of provincial party committee, and also got support from leaders and old comrades in the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], the provincial discipline inspection commission, and the provincial military district; from various democratic parties and mass organizations; and from the vast number of cadres and ordinary people throughout the province. Here, I express my heartfelt gratitude to them.

Not long ago, General Secretary Jiang inspected work in this province and gave important speeches. He fully affirmed and positively appraised the work we did in this province over the past years, and set out requirements and hopes for our work in the future. This was a great encouragement to the cadres and ordinary people in this

province, and gave a great impetus to Jiangxi's work in all fields. We must act according to General Secretary Jiang's important instructions, and create a new situation in all fields of our work in this province.

In his speech, Wu Guanzheng said: Deputy Director Li Tielin, of the Central Organization Department, has announced the circular of the CPC Central Committee on changing the posts of several responsible comrades of the Jiangxi Provincial CPC Committee and Government. I completely support the central decision, and will join comrades in fulfilling our duties for Jiangxi's development under the leadership of the party Central Committee.

Wu Guanzheng said: Comrade Zhiyong has been in charge of the provincial party committee's work for more than eight years, and he led the leading members of the provincial party committee to work hard to advance reform, opening up, and socialist modernization, and great changes were brought about in Jiangxi's situation. Economic development was raised to a new stage; the province's gross national product was redoubled six years ahead of schedule; good agricultural harvests were reaped year after year; industrial production and transportation continued to develop at high speeds, and achieved higher and higher economic efficiency; infrastructure facilities were substantially improved; the momentum of development was increased; the financial condition also was noticeably improved; the living standards of the people were enhanced; social and political stability were maintained; and party building, socialist spiritual civilization, and the development of the democratic and legal system also made substantial progress. This was one of the periods in which Jiangxi effected the fastest development and experienced the greatest changes. The great results were achieved because of the diligent work of all cadres and ordinary people in the province under the leadership of the party Central Committee, and also were inseparable from Comrade Zhiyong's role in guiding the formulation of many important policy decisions and from his great efforts. Comrade Zhiyong's contributions are obvious to all.

Wu Guanzheng added: The central leadership decided to appoint me to take over the job of Comrade Zhiyong. I deeply feel my heavy responsibilities and work loads. Here, I want to express several mutually encouraging points to all cadres and ordinary people in the province.

First, study harder and learn more in earnest. First of all, earnestly study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, make efforts to link theoretical study with practical work, and to more conscientiously and firmly implement the party's basic line. At the same time, also make effort to study modern economic knowledge, modern scientific and technological knowledge, and legal and management knowledge. Study knowledge of party affairs, and continue to absorb new knowledge and enhance oneself.

Learn from the broad party membership and the broad masses, absorb nutrition from them, and thus transform and enrich oneself.

Second, concentrate on the work. We must firmly carry out the party's basic line, comprehensively put into practice the 20-character guideline laid down by the central leadership, do creative work in practice, and dedicate ourselves to the party's cause as did Comrade Kong Fansen. Grasp opportunities better, exert our utmost in our work, and raise Jiangxi's economy to a new stage. Further deepen reform, promote the sustained, rapid, and healthy development of the economy. Handle better the relationships among reform, development, and stability. Constantly use both hands to grasp things, and keep both hands tough. Resolutely implement the spirit of the Fourth Plenary Session of the 14th CPC Central Committee. Do effective work in promoting party building, which is a great project in the new period. Do effective work in promoting socialist spiritual civilization, and in promoting the development of democracy and the legal system, and create a benign social environment for reform and development. Strive to bring about some new changes within a year, and to step onto a new stage in three years.

Third, make concerted efforts and consolidate unity. At present—as the tasks of reform, development, and stability have become more arduous—in order to consolidate and develop the good situation throughout the province, it is more necessary to strengthen the unity between new and old cadres in this province, between members of leading bodies at all levels, between people inside and outside the party, between the military and the civilian administration, and between the police and the ordinary people. People should be prompted to give consideration to the overall interests and to unity, and to display a team spirit by offering support to, and showing friendship with each other. In particular, principal responsible comrades of all party and government leading bodies and all department—including myself—should be more careful in safeguarding the overall interests and unity, in giving play to the procedures of democracy, in frequently exchanging ideas, and in listening to the opinions of various parties concerned when making major decisions, and should set an example by taking the initiative in promoting unity, thus consolidating an atmosphere of making concerted efforts and continuous progress at all levels throughout the province.

Fourth, set an example with our own behavior in promoting incorruptibility. Being party leading cadres, we must keep our own behavior upright, and use our concrete action to guide the development of clean government and in-depth anticorruption work. We must resolutely rid ourselves of formalism, subjectivism, and the bureaucratic style of work; greatly develop honest, incorrupt, and self-disciplined practices; resolutely carry out all regulations and rules on leading cadres' incorruptibility and self-discipline; resolutely enforce the party's



political discipline; safeguard the authority of the central leadership; guarantee the smooth and effective implementation of political orders; resolutely investigate and handle major and serious criminal and discipline cases, thus giving confidence to, and winning the trust of the people; keep firmly in mind the principle of serving the people wholeheartedly; maintain close ties with the masses; always be concerned about the well-being of the masses; and do more solid work to seek benefit for the masses.

Fifth, spare no effort to ensure the implementation of all principles and policies. At present, the general guidelines and the major principles and policies all have been formulated, and the key lies in their effective implementation. We must always pay attention to acting according to the objective laws, and according to the local conditions, and must seek our own course of development. Things that have proved right should be grasped tightly, and should be completed in one vigorous effort. All decisions should be put into actual practice in all grass-roots units, and tasks should be fulfilled within time limits. Work must be done conscientiously, and must not be delayed or handled in a perfunctory way.

Those attending the meeting included members of the provincial party committee, the vice chairmen and party group members of the standing committee of the provincial people's congress, vice governors and party group members of the provincial government, vice chairmen and party group members of the CPPCC provincial committee, responsible comrades of the provincial military district, members of the standing committee of the provincial discipline inspection commission, retired old cadres formerly at and above the rank of deputy provincial heads in Nanchang, party committee secretaries and government chiefs of all prefectures and cities, principal responsible people of all provincial departments and institutions of higher education in Nanchang.

#### **Shandong's Zhao Gives Directives on Development**

SK1504041695 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 14 Apr 95

[FBIS Translated Text] During his investigation and study tours in Jining, Zhao Zhihao, secretary of the provincial party committee, pointed out that it is necessary to uphold economic construction as a center and to concentrate efforts on grasping the work in various fields firmly, realistically, and successfully so as to ensure the fulfillment or overfulfillment of the economic and social development plan this year.

Zhao Zhihao, accompanied by responsible comrades from the provincial level organs, successively looked into some townships, villages, and enterprises in the counties and cities of Liangshan, Yuncheng, Weishan, Yanzhou, and Qufu from 12 to 14 April.

During his tours, Zhao Zhihao particularly stressed: It is imperative to put agriculture on the first position, to

grasp agriculture season by season and year by year, and to refrain from being slack and relaxed in agriculture even slightly. He stated: A very good way to achieve development is to develop agriculture with fine quality and high benefit, to have leading enterprises bring along production bases, and to have production bases set up associations with farm households. Leading enterprises should successfully play their leading role. There are bright prospects for scientific farming and we should continuously adopt fine seeds and advanced productive technologies and tap the land potential so as to realize income increase resulted from increased output. We should have new ideas in readjusting the agricultural structure and should not keep a close watch only on the limited farmland. The potential to develop the enterprises of animal husbandry and aquatic products is very large and we have broad prospects in this regard.

During his inspection tours made among enterprises, Zhao Zhihao pointed out: Currently, we should enhance the sense of emergency in conducting reform among the state-owned enterprises; unswervingly uphold the reform so long as the orientation has been proved correct, the way has been proved right, and the results have been marked; and continuously summarize or perfect the reform in the course of practice. He particularly stressed: Enterprises should realistically enhance their internal management, bring in advanced experiences as much as possible, closely integrate their management with scientific research and technologies, create more products of famous trade marks, broaden their capability of market occupation, and increase their economic results.

During his inspection tours, Zhao Zhihao particularly stressed: We should uphold the principle of grasping the two civilizations simultaneously, pay great attention to and enhance the construction of ideology and politics, do a good job in studying the theory of building socialism with Chinese characteristics, and reinforce our consciousness and firmness in implementing the party's basic line.

Zhao Zhihao also showed great concern for the construction of the state key projects in Shandong. By taking a special trip on the afternoon of 12 April, he visited the construction site of the Huang Bridge of the Beijing-Jiulong Railway and extended congratulations and thanks to the builders in the operation on behalf of the provincial party committee, the provincial people's government, and the people across the province.

#### **Shanghai's Pudong Formulates 5-Year Plan**

OW1504015395 Beijing XINHUA in English 0140 GMT 15 Apr 95

[FBIS Transcribed Text] Shanghai, April 15 (XINHUA)—The Pudong New Area has drawn up a plan for the next five years to speed up economic development, according to local officials.

Pudong's economic growth rate will remain at about 20 percent annually through the year 2000. The gross

domestic product is expected to jump to 120 billion yuan from 29.12 billion yuan in 1994, with the per capita average climbing to 60,000 yuan from 1994's 19,000 yuan.

It is also planning on ten new infrastructure projects, including the first phase of the international airport, a world information center, the first phase of a deep water port, the No. 2 subway, the light railway system, a power plant, and a water supply project.

Economists have said that they believe that the new five-year plan and construction projects are necessary for the development of finances, trade, exports, and processing.

To reach this goal, the officials say, it is essential that close attention be paid to developing export-oriented industry in the area.

They should continue to develop banking and trading in the new area so that banks, and stock and futures exchanges can move into the area as soon as possible.

In addition, they say, the Waigaoqiao Bonded Zone, the biggest of its kind in China, will become a trade center with international trade as its mainstay.

This construction, which is a "train project", with Pudong's major firms as the "locomotive" pulling along the development of local small and medium-sized companies and township enterprises, using foreign investment and technology, will be greatly increased.

#### **Shanghai's Population Composition Resembles West**

OW1604053395 Beijing XINHUA in English 0251 GMT 16 Apr 95

[FBIS Transcribed Text] Shanghai, April 16 (XINHUA)—A 1994 survey of 10,525 families in Shanghai, China's leading industrial and commercial center, with a population of 13 million, showed that the population composition is close to that of developed countries.

It showed an average of 2.99 persons per household, compared to 3.1 in 1990. The city's population is now experiencing low birth and death rates.

The population growth rate for Shanghai in the past year was minus 1.2 per thousand, 0.4 per thousand lower than the first record of negative population growth in 1993.

According to local officials, the city has set up 2,876 family planning and birth control centers, with some four million people having received various kinds of help.

Since 1990, the number of child-bearing women in the city has been decreasing by 30,000 a year, and the average age of first-time mothers has risen from 25 in early 1990 to the present 26.

However, the number of elderly has been rising rapidly, with the number of those over 65 rising to 11.52 percent in 1994, compared with 9.38 percent in 1990.

Of those above 60 years of age, 96 percent are capable of supporting themselves, and 78 percent of the old people have adequate income, the survey showed.

#### **Zhejiang Governor Speaks on Anticorruption Work**

OW1704101595 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 25 Mar 95

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The provincial people's government yesterday held a meeting on anticorruption work in government departments. Attending the meeting were Wan Xueyuan, governor; Chai Songyue, executive vice governor; Xu Zhichun, vice governor; Zhan Shaowen, provincial Chinese People's Political Consultative Conference [CPPCC] committee vice chairman; Hangzhou-based advisers to the provincial CPPCC committee and provincial government; and leading comrades in charge of various provincial government departments. Chai Songyue chaired the meeting, during which Wan Xueyuan made relevant arguments.

Wan Xueyuan said: Last year, all localities and departments throughout the province scored successes in different stages of the deepening-anticorruption drive as they conscientiously promoted economic construction and the development of various social services. Some negative and corrupt phenomena were not effectively curbed, however. From time to time, there were cases in which a handful of cadres abused their power for personal gain, practiced graft, took bribes, or committed economic crimes. Some cadres abused their power for extortion and personal gain, while others demanded free meals and other favors. Some even turned corrupt and degenerate, organized or participated in gambling, or occasionally caused major or harmful accidents through neglecting duty. Progress in fighting corruption has been uneven. In correcting and resolving problems, some units were not serious and determined because they were afraid of confronting difficulties, offending people, or tackling intractable problems. Some leaders were long on words and short on actions, did not do solid work, and even performed their duties in a perfunctory and passive manner.

Wan Xueyuan noted: The key to deepening the anticorruption drive is to improve the understanding of leading cadres at all levels. The anticorruption drive is a major event that has a bearing on the futures and destinies of the party and state, as well as being a long-term task. We should steadfastly carry it through successfully. Leading cadres at all levels must keep cool heads, heighten their sense of urgency and responsibility, overcome the tendency toward slackening efforts and becoming weary of

the anticorruption drive, and conscientiously assume responsibility for leading anticorruption work.

Wan Xueyuan added: In carrying out this year's anticorruption work, we should consolidate existing gains and shift the focus of our work to waging and deepening the anticorruption drive. Leading cadres should show honesty, exercise self-discipline, and conscientiously observe specific provisions formulated by the provincial party committee and government. In addition, they should earnestly examine themselves through comparison with others, and do a good job of self-examination and self-correction. On a selective basis, we should continue investigating and dealing with violations of the law and discipline in leading party and government organs, administrative law-enforcement organs, judicial organs, and economic administrative departments. Moreover, we should intensify our efforts to investigate and deal with violations of the law and discipline in key areas: banking, securities, capital construction, real estate, and land leasing. Principal leaders should personally attend to major and important cases, which should be resolutely investigated and dealt with until they are brought to a conclusion. We should continue remedying unhealthy practices and restoring order in specific areas, and resolutely stop the unhealthy practices of erecting roadblocks to collect unwarranted fees and fines, arbitrarily collecting fees in primary and middle schools, and arbitrarily exacting donations and fees from peasants. Moreover, we should foster sound practices in 11 fields: banking, finance, taxation, public security, industry and commerce, postal and telecommunications services, electric power, public health, education, urban construction, and land management.

Wan Xueyuan said: Leaders at all levels should conscientiously exercise stronger leadership over the anticorruption drive, and perform their functions justly, forcefully, and earnestly. We should institute a sound responsibility system for promoting clean government, under which each level is responsible for and exercises management over the level immediately below it. We should make performance in combating corruption an important criterion for evaluating the performances of cadres and units.

Wan Xueyuan emphasized: Performing one's duties scrupulously, serving the people diligently, and observing discipline and the law are the codes of conduct for public officials. Every government official, especially every leading cadre at each level, should conscientiously devote more time to learning and less to social intercourse, investigate the true state of affairs, do solid work, pay attention to quality, stress efficiency, take the overall situation into consideration, and observe discipline in accordance with Premier Li Peng's demands. We should safeguard the unity of administrative decrees and administrative discipline; resolutely remedy the practice of disregarding decrees and prohibitions; firmly halt the practices of performing one's duties perfunctorily, shifting blame to others, wrangling with each other over

trivial matters, and putting off one's work; and strive to improve efficiency in handling things.

Zhu Yaozu, provincial supervision department director, briefed the meeting on progress made by government departments across the province in anticorruption work since last year. People in charge of the provincial public security department, communications department, public health department, education commission, and power industry bureau delivered speeches on anticorruption work in their respective departments. Attending the meeting by invitation were comrades in charge of various departments under the provincial party committee, the provincial people's congress standing committee, the provincial CPPCC committee's general office, the provincial military district, the provincial higher people's court, the provincial procuratorate, various democratic parties, and the All-China Federation of Industry and Commerce.

#### **Zhejiang Sets Up 95 Job Service Organs**

**OW1404131895 Beijing XINHUA in English 0731**  
**GMT 14 Apr 95**

[FBIS Transcribed Text] Hangzhou, April 14 (XINHUA)—Over the past decade east China's Zhejiang Province has set up 95 job service organs, including 63 permanent ones, covering 97 percent of the area in the province, according to the Provincial Personnel Exchange Center.

The job services have helped nearly 70,000 people transfer jobs and promoted exchange of technology and research results.

The state-run enterprises in the province now have more than 843,500 specialized technical persons of various trades. A proportion of them had been working in redundant posts while many township enterprises were in urgent need of technical personnel.

The authorities have listed the personnel exchange service as an important part of the personnel system reform. In 1984 the first job service organ in the province was set up in Hangzhou, capital of Zhejiang. Ever since then the government has worked out a series of relevant policies and rules to ensure the smooth operation of the services.

Zhejiang is one of the most rapidly developing provinces in China, with advanced light and textile, machine-building, petrochemicals, foodstuffs and construction materials industries.

In 1994 the job service organs launched 188 major activities for personnel exchange, and helped nearly 20,000 technical and managerial persons go through the procedures for job transfer. Of these persons, 30.05 percent of whom had received education of higher learning. The province also attended the first personnel fair held by the Ministry of Personnel in Xian, capital of



northwest China's Shaanxi Province, and succeeded in introducing various types of personnel to prospective employers.

During the past two years the job service organs have supplied 5,143 people to foreign-funded enterprises, the majority of whom are engineers and accountants.

To improve their services, the job centers have strengthened personnel training, appraisal, exchanges, arbitration, and examination and approval of advertisement services. Computers have been adopted for many such services.

### Central-South Region

#### Reportage on Guangdong's New Assistance Committee

##### Assistance Committee Established

OW1504161295 Beijing XINHUA in English 1519  
GMT 15 Apr 95

[FBIS Transcribed Text] Guangzhou, April 15 (XINHUA)—South China's Guangdong Province today set up a provincial promotion committee for assisting the poor in the province.

Zheng Wantong, deputy head of the United Front Work Department of the Central Committee of the Communist Party of China (CPC), said at a banquet today that helping the poor has long been a virtue of the Chinese, and Guangdong, as China's forerunner of reforms and opening-up, has many advantages in promoting the "glorious cause".

The banquet was to celebrate both the opening of the 77th China Export Commodities Fair in Guangzhou and the establishment of the new committee.

Zheng said that he believes that Guangdong's present condition and its efforts to encourage private entrepreneurs to start the business in poverty-stricken areas will make the province a leading force in the "glorious cause".

Statistics show that 2,600 businessmen have joined the campaign since April 23 of 1994, when 10 successful private businessmen put forward a proposal at a meeting of the All-China Federation of Industry and Commerce, calling for more private businesses to expand to poverty-stricken areas as a means of helping the poor.

They have started more than 300 projects in poverty-stricken areas, involving an investment of over 400 million yuan, with 30 percent of it having been put to work.

Zhang Guoying, deputy Party secretary of the province, called on more private businessmen from inland areas, and those from industry and commerce in Hong Kong,

Macao, Taiwan, and overseas to follow suit and cooperate with poverty-stricken areas in training personnel, exploring the use of local resources, education, and building of public facilities.

##### Further on Resettlement

OW1604165195 Beijing XINHUA in English 1416  
GMT 16 Apr 95

[FBIS Transcribed Text] Guangzhou, April 16 (XINHUA)—South China's Guangdong Province has moved out more than 95,000 poor people from the limestone area in the north part of the province and resettled them in the comparatively developed areas.

In the two cities of Qingyuan and Shaoguan, more than 800,000 local residents were suffering from poverty just because of limestone covering that area.

To help the residents, the province had poured nearly 400 million yuan to build water supply systems and afforest the area by 1992. However, as this area lacks basic conditions for lives, such as arable lands and water, it is impossible for the local residents to get rid of poverty.

In 1993, the province decided to move out the residents to relatively developed areas in the province in three years.

The province has since allocated 100 million yuan to subsidize the newly resettled families. It also helps build houses, schools, hospitals and irrigation works in the settlements.

##### Guangxi Prison Officials Claim Success

OW1704034895 Beijing XINHUA in English 0321  
GMT 17 Apr 95

[FBIS Transcribed Text] Nanning, April 17 (XINHUA)—Over the past 44 years, the prison of southwest China's Guangxi Zhuang Autonomous Region has successfully rehabilitated 520,000 prisoners, the regional prison administration recently told newspeople for the first time.

The majority of the prisoners have become law-abiding civilians after release, according to the officials. Statistics since the 1980s have shown that recidivism stood at 4.5 to 5 percent, lower than the national average of 6 to 8 percent.

The region's prison work began in 1951, and it now has 18 prison, containing more than 50,000 prisoners, including one for women and one for juvenile delinquents.

"As the means of applying the penalty, the prison should both mete out punishment and educate prisoners," said Pei Qingyu, head of the regional prison administration. "The penalty in China is not restricted to punishment alone, but puts more emphasis on reforming them by making them law-abiding and useful citizens."

Lan Xianjiang, a farmer in Qingtang Town, Zhongshan County, was sentenced to prison for theft. He repented and vowed to reform himself. After he was released from the prison in 1990, he devoted himself to the local village economy and was elected director of the village committee. Within two years, the per capita income of the formerly poor village surpassed 1,000 yuan—on a par with the national average, and Lan was elected a deputy of the county people's congress.

Supervision, education, and labor reform are three major methods used in prisons. The prisoners are separated depending on the severity of the crime, the penalty, and their behavior. The prison tries to correct the prisoners' bad habits by means of strict discipline.

For prisoners, the prison becomes a special school. Since 1990, 17 prisons and one juvenile delinquent education center have developed educational programs in ideology, culture, and technology. Political study is provided for 99 percent of the prisoners, 95.3 percent get cultural study, and 92.3 percent technology.

Huang Xiaogou, from Guilin, studied fruit planting techniques in prison. After he was released, he got rich from planting fruit trees and voluntarily instructed other farmers in his method, and was given an award by the regional association of science and technology.

Studies done over the years have indicated that most prisoners are interested in learning practical skills. Those from cities like to study large machinery repair, or that of household appliances and timepieces, while those from rural areas are more keen on cultivation techniques and agricultural by-products.

The prison-run newspaper "New Life" from time to time carries news about some of the skilled prisoners' having struck it rich or having become useful to society after their release.

Over the past decade, 29,766 prisoners obtained certificates or various degrees, 1,132 of them from colleges.

The prisons use a combination of punishments and rewards. In 1994, 255 prisoners were released on probation and 10,184 were granted a reduction of sentence, while sentences were increased for 203 of the prisoners.

A few prisoners resist rehabilitation but their number is dwindling. In 1993, the percentage of escapees was 2.41 per thousand in Guangxi, but by 1994, it had dropped to 1.2 per thousand.

The enforcement of the "Prison Law" will further improve the management of prisons in Guangxi, according to the regional prison administration chief Pei Qingyu.

#### **Director Briefed on Airport Projects in Hainan**

HK1604022895 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 4 Apr 95

[FBIS Translated Text] In the Haikou Huangbao Taiguo Hotel on the afternoon of 3 April, Chen Guangyi,

director of the Civil Aviation General Administration of China [CAAC], Vice Governor Mao Zhijun, and others listened to the work report of the Hainan Airport Company Limited on the operation of the Fenghuang International Airport in Sanya and the preparations for the construction of the Meilan International Airport in Haikou.

Chen Guangyi said: The CAAC will regard the construction of the Meilan International Airport as a key construction project and give it vigorous support in various areas.

Chen Jianwei, chairman of the board of directors of the Hainan Airport Company Limited, said in his report: Since the company was founded, it has operated well and has earned approximately 17 million yuan in profits. Since the Fenghuang International Airport, which was built using funds raised by the company, opened to air traffic, the number of flights has constantly increased, and the flow of passengers has been expanding day by day. It has a promising future. We will strive to start construction of the Meilan Airport in Haikou, now under active preparations, in October this year. The funds needed by the project have been gradually secured.

Chen Guangyi said: Judging from the present situation of the Haikou airport and the momentum of Hainan's fast economic growth, it is totally necessary to build the Meilan Airport; moreover, its construction should be accelerated. The Hainan Provincial CPC Committee and Government will regard it as a key construction project, and so will the CAAC. It will be given vigorous support in funds and other areas. He emphatically pointed out: A good job should be done in the feasibility of the construction scale of the airport and, once finalized, its plan should be implemented systematically. At the same time, consideration should be given to comprehensive efficiency in designing the construction scale.

#### **Hainan Governor Meets Businessmen**

HK1604083895 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 3 Apr 95

[FBIS Translated Text] Governor Ruan Chongwu met with David Li Kwok-po, vice chairman and concurrently executive president of the [Hong Kong-based] Bank of East Asia; Yu Yuen-ping, chairman of the Board of Directors of the Kumagai (Hong Kong) Company Limited; Duan Xiaoxing, vice president of the Agricultural Bank of China; and others in the Hainan Government's reception hall yesterday afternoon.

Li Kwok-po, Yu Yue-ping, and Duan Xiaoxing came to Hainan to attend the business-starting ceremony of the Hainan International Financial Company Limited, which was jointly formed by the Agricultural Bank of China, the Bank of East Asia, and the Kumagai (Hong Kong) Company Limited. At the meeting, Ruan Chongwu briefed the guests on Hainan's economic

development, financial market, development, and construction. He said: Hainan now has entered the stage of large-scale development and construction, and it needs help and support from all sides.

Ma Weihua, president of the provincial branch of the People's Bank of China; Ming Yuncheng, president of the provincial branch of the Agricultural Bank of China; Chen Ci, deputy director of the provincial foreign affairs office; and others were present at the meeting.

### **Henan Cadres Executed After Unsuccessful Appeal**

OW1704094295 Beijing XINHUA Domestic Service in Chinese 0203 GMT 28 Mar 95

[By reporters Zhang Sutang (1728 1372 1016) and Xie Guoji (6043 0948 6068)]

[FBIS Translated Excerpt] Beijing, 28 Mar (XINHUA)—According to information provided by the Supreme People's Court, Zhang Deen, Liu Changzhi, Zhang Deqing, and Wang Yukuan, four cadres in Xulou Village, Taoying Township, Dengzhou city, Henan Province, who jointly plotted the murder of peasant Chen Zhongshen, who had been appealing to higher authorities for help, were executed by shooting today in Nanyang, Henan, in accordance with the execution order and final judgment delivered by the Henan Higher People's Court. Two accomplices were given three- and seven-year prison terms.

Village head Duan Yingzhan and village cadres Zhang Deen and Liu Changzhi resented Chen Zhongshen, a 58-year-old peasant in Xulou Village, Taoying Township, Dengzhou city, who was dissatisfied with the village party committee—which infringed on rights, commercialized land, levied fines on villagers' tobacco leaves, and increased the peasants' burdens by imposing irrational financial levies—and repeatedly appealed for help to relevant departments from August 1992 to March 1994. In March and May 1994, Duan Yingzhan instructed Zhang Deen and Liu Changzhi to find some people to "fix" Chen Zhongshen. Later, Zhang Deen, Liu Changzhi, and another village cadre, Ni Zhichun, plotted to fix Chen. [passage omitted]

On 4 July 1994, Zhang Deen and Liu Changzhi instructed Zhang Deqing, a village public security officer, and Wang Yukuan, a village public security head, to beat up Chen Zhongshen, but the plan was thwarted for some reason. Next afternoon, Liu Changzhi again proposed to Zhang Deen that they fix Chen Zhongshen thoroughly. Zhang Deen agreed, and instructed Zhang Deqing and Wang Yukuan to do it. Zhang Deen gave a gunny sack to Zhang Deqing, who also took a rope from the former's house before joining Wang Yukuan to lay an ambush by the roadside according to Liu Changzhi's instruction. Zhang Deqing pounced on Chen Zhongshen as he walked past, seized him by the throat, and with Wang Yukuan, choked him to death after Wang

Yukuan tied a rope around the peasant's neck. After that, Chen Zhongshen's body, stuffed into a gunny sack and weighed down by a 30-kg stone, was dumped into a sewer.

Central leading comrades paid closed attention to the case and instructed relevant departments to promptly investigate it. The Henan Provincial CPC Committee and government also asked relevant judicial organs to severely punish the criminals. After the public security organ promptly solved the case, the Nanyang City Intermediate People's Court earnestly examined it, and passed first-instance judgment on 7 January 1995. It sentenced to death Zhang Deen, Liu Changzhi, Zhang Deqing, and Wang Yukuan for intentional homicide, and deprived them of political rights for life; sentenced Ni Zhichun to three years imprisonment for intentional homicide; and Duan Yingzhan to seven years imprisonment for intentional harm. In addition, the first-instance judgment also required Zhang Deen and others to pay from 2,000 yuan to 500 yuan [ranges are given from higher to lower] in compensation for economic losses.

Five of the accused refused to accept the first-instance judgment and appealed it. Upon examining the case, the Henan Higher People's Court held that Zhang Deen, Liu Changzhi, Zhang Deqing, and Wang Yukuan, by flouting the national law and committing homicide in an attempt to seek revenge, had committed intentional homicide. It maintained that the seriousness of this case and the extremely ruthless means used by the accused had produced a very bad effect on society. It also maintained they should be punished because they were the prime culprits who played major roles in organizing, planning, instructing, and committing specific acts in the crime. After ruling that the judgment given to the accused was accurate, that the punishment befitted the crime, and that the judicial procedures were legal, the court of first instance turned down the appeal according to law, upheld the original judgment, and approved the execution of these four people, including Zhang Deen. [passage omitted]

### **Hubei's Jia Speaks on Enterprise Revitalization**

HK1604082395 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 30 Mar 95

[FBIS Translated Text] While conducting investigations and study at Hubei's Shuanghuang Chemical Industrial Group Company 29-30 March, provincial party Secretary Jia Zhijie stressed: Revitalizing large and medium-sized enterprises is of crucial importance in this year's enterprise reform.

The predecessor of Hubei's Shuanghuang Chemical Industrial Group Company was the Hubei Provincial Chemical Industrial Plant, which had developed into a large-to-medium-sized enterprise capable of producing 220,000 tonnes of refined soda, 50,000 tonnes of [words indistinct], and 13,000 tonnes of caustic soda per year over the past 25 years.



On the afternoon of 29 March, Jia Zhijie braved the rain to inspect the company's ammonia, soda, and [words indistinct] sub-factories and shops, and inquired in detail about the company's production and operations. On the morning of 30 March, Comrade Jia Zhijie held a discussion meeting with persons in charge of the company and with principal leaders of the cities of Xiaogan and Yingcheng. Jia said: Hubei is an old industrial base, where many large and medium-sized enterprises are concentrated. An enterprise can spur the development of counties. If all sides concerned form a combined force and set up a number of enterprises that have an impact in the country within a short period of time, this will help the province's economy to develop more rapidly. He said: The experience of Hubei's Shuanghuan Chemical Industrial Group Company is worth popularizing throughout the province. One point is that the company has reformed every system with proper methods and effective measures; another is that in the course of reform, it has retained the past good traditions, such as strict enterprise management. The third experience is that the company has persisted in doing two types of work simultaneously, while attaching importance to both. This is the Communist Party's good tradition for party-member cadres to guide those at the lower levels.

Jia Zhijie highly appraised the correct handling by members of the leading body of the company of the relationships among the party, management, and the trade union—characterized by striving for responsibility rather than rights, for work rather than credit, and for contributions rather than wages—and its way of doing things—characterized by division in work, but unity in goal; division in system, but unity in relationship; and division in responsibility, but unity in thinking.

He said: The Shuanghuan Chemical Industrial Group Company's experience of three divisions and three unities is worth popularizing, and is applicable both to enterprises, and to party and government organizations. If the party and government are not united in an enterprise, department, or locality, nothing can be done satisfactorily. Unity breeds cadres and talents.

During the investigation tour, Jia Zhijie was accompanied by Deng Guozheng, standing committee member and secretary general of the provincial party committee, and by persons in charge of the political research office of the provincial party committee, the provincial planning commission, and the provincial chemical industrial department.

#### Coverage of Hubei Economic Reform Meeting

##### Meeting Opens

HK1704075195 Wuhan Hubei People's Radio Network  
in Mandarin 1000 GMT 31 Mar 95

[FBIS Translated Excerpt] The provincial party committee and government today held a three-day provincial meeting on economic structural reform to discuss an

in-depth reform of state-owned enterprises. Provincial leaders including Jiang Zhuping, Yang Yongliang, Li Daqiang, Meng Qingping, and Zhang Hongxiang, as well as Lu Jie, vice chairman of the State Structural Reform Commission, were present at the meeting. [passage omitted] Li Daqiang, member of the provincial party committee's standing committee and vice governor of the province, addressed the meeting on behalf of the provincial party committee and government, saying: There are some 5,500 state-owned industrial enterprises in Hubei. Of these, large enterprises number 195 and medium-sized enterprises 585. Although state-owned industrial enterprises account for only 20.6 percent of the province's total number of industrial enterprises, last year their output value accounted for 58.5 percent of the province's total, their income from sales 68.3 percent, and their profits 76 percent. Last year the province registered an economic growth rate higher than the country's average, a good trend not seen over the last few years. State-owned enterprises played a very significant role in this respect. Therefore the provincial party committee and government demanded the improvement of state-owned enterprises this year, a major matter that affects and gives an impetus to the overall situation.

Li Daqiang pointed out: State-owned enterprise reform must be oriented to the establishment of a modern enterprise system, to bring about a change in enterprises' system, reorganization, and transformation; to improve their quality as a whole; and to achieve the five results of good leadership groups, good contingents, good mechanisms, good management, and good products. State-owned enterprise reform must proceed at different levels in different categories. The first level covers the reform of large enterprises, which will be carried out by the provincial authorities with focus on introducing wholly-owned state capital, state ownership, or a state-run system to large enterprises having important bearings on the national economy and the people's lives; a shareholding system will be introduced to competitive large enterprises with good economic returns, by forming shareholding companies limited or companies with limited liabilities; on large enterprises with bad economic returns, some of their departments that produce good economic results can form links with foreign or domestic capital or can separately establish shareholding companies. The second level covers the reform of medium-sized enterprises, which will be carried out by prefectures, cities, or autonomous prefectures with various methods of invigoration; enterprises with good economic returns may form group companies to further expand their production scope; enterprises with comparatively good economic returns may be reorganized into shareholding companies limited or companies with limited liabilities; enterprises with bad economic returns may contract for independent operations. The third level covers the reform of small enterprises, which will be carried out by counties or cities at a faster pace by introducing civilian operation under state ownership, an

independent contract system, an auction method, transfers, combined operation, merging, or reorganization into the shareholding system.

Li Daqiang pointed out: Some of the enterprises that have incurred losses for long, that do not hold out any hope of recovery, and that cannot repay their debts on due date may proclaim bankruptcy; some of them may stop their production first and then auction off their assets or proclaim bankruptcy; enterprises with backward products and technology that cannot cope with market competition or demand may be encouraged to change to other types of production, to merge with other enterprises, or to transfer themselves to other enterprises; bankruptcy must proceed in strict accordance with legal procedures to protect the rights and interests of the loss-incurring enterprises and the claimants.

Li Daqiang stressed: Government departments must transform their functions and definitely be able to delegate powers to enterprises, reduce their burden, clear their debts, rationally handle state-owned enterprises' debts remaining from the past, and properly resolve the social burden borne by enterprises. He demanded the comprehensive introduction of the social insurance system, the formation of the market system, and the establishment of the legal system, which constitute three coordinated reforms, with the aim of invigorating state-owned enterprises.

To make state-owned enterprise reform a success, the provincial government has decided to form a provincial leadership group on deepening reform and invigorating state-owned enterprises.

#### **Jia Speaks at Closing**

*HK1604083595 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 3 Apr 95*

[FBIS Translated Excerpt] A provincial meeting on economic structural reform, sponsored by the provincial party committee and government, concluded in Wuchang yesterday afternoon. Jia Zhijie, secretary of the provincial party committee, made a summation, while Governor Jiang Zhuping set requirements for the thorough implementation of the instructions of the meeting.

Jia Zhijie stressed: Based on the high plane of strategy and of overall interests, leaders at all levels throughout the province must understand the importance and urgency of reform; strengthen their sense of responsibility and mission for reform; and lose no time in promoting Hubei's reform, opening up, and economic development to a new stage. On comprehensively deepening reform with the focus on improving state-owned enterprises, Jia Zhijie pointed out: In reforming large and medium-sized state-owned enterprises, stress must be laid on creating a new system and on transforming their mechanism. In carrying out experiments on the establishment of a modern enterprise system, no formalist or perfunctory method is permissible, and no evasion of

contradictions or difficulties is allowed. Effective measures must be taken to resolve these enterprises' difficulties in forming new mechanisms, as well as new problems in their experiments.

He stressed: In improving state-owned enterprises, efforts must be concentrated on these five jobs: The first is forming good leadership groups, the key point being the accurate selection of factory directors. [passage omitted]

The second is fostering good contingents; improving the workers' quality in an all-round way; and forming good contingents of science, technology, management, commodity distributors, and workers.

The third is establishing a good mechanism. [passage omitted]

The fourth is establishing a good management system. [passage omitted]

The fifth is developing good products to upgrade product quality. [passage omitted]

#### **Hunan Leaders Attend Ideological Meeting**

*HK1604084795 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 3 Apr 95*

[FBIS Translated Text] The provincial party committee has held a mobilization meeting on ideological style rectification, urging units directly under the jurisdiction of the provincial government to achieve ideological unity, strengthen leadership, and take effective measures to solve outstanding problems in party and government organizations promptly, so that the thinking and style of the cadres in party and government organizations will better meet the needs of Hunan's accelerating its reform and opening up, and its economic development.

Chu Bo, deputy secretary of the provincial party committee, presided over the meeting. Provincial party committee Secretary Wang Maolin; Governor Yang Chengwu, deputy secretary of the provincial party committee; and Hu Biao, standing committee member of the provincial party committee, the provincial secretary general, and secretary of the working committee of the units directly under the provincial government; addressed the meeting.

In their speeches, Wang Maolin, Yang Chengwu, and Hu Biao pointed out: The current ideological style rectification is aimed at further implementing the spirit of the Fourth Plenary Session of the 14th national party congress; building a contingent of office party-member cadres who work hard and strive for victory with an indomitable spirit; establishing close flesh-and-blood ties between the party and the masses of the people; carving out a good image for the party and the government among the masses of the people; and ensuring that the various departments directly under the jurisdiction of the provincial government will more willingly submit to,

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and serve the focus of economic construction, and will adapt themselves to the needs of the socialist market economy structure.

Wang Maolin and Yang Chengwu emphasized: The stress of the current ideological rectification in organizations is on education, and on strengthening leadership. Leading comrades should take the lead in enhancing their understanding, examine their own mistakes, boldly handle and deal with malpractices, strengthen supervision and inspection, and avoid engaging in formalism and going through the motions.

It has been learned that the following are included in the current rectification: All working personnel of party and

government organizations in units directly under the jurisdiction of the provincial government, in mass organizations, in law enforcement departments, in economic management departments, and in large companies at the deputy provincial departmental level and above, with the stress on leading cadres at the departmental level, or members of the leading bodies of departments and bureaus, as well as the leading bodies of departments managing human, financial, and material resources which are riddled with numerous problems, about which the masses of the people have relatively strong complaints, and whose members are in disunity. The rectification, which is to start from the first ten-day period of April, will end in May.



**Continuing Reportage on Li's Six-Point Statement****Official Defends Statement**

OW1504112295 Taipei CNA in English 0927 GMT 15 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 15 (CNA)—A high-ranking Kuomintang official Saturday defended President Li Teng-hui's six-point statement on cross-Taiwan strait relations, saying the statement underlines Taiwan's sincerity in unifying China.

"It is by no means sloganeering," Hsu Shui-teh, secretary-general of the Kuomintang Central Committee, said during a meeting on the ruling party's Mainland China policy. More than 100 party cadres, executives of party-invested media and KMT government officials participated in the meeting.

"Li's statement is significant and deserves Chinese Communists' consideration," Hsu said.

In his statement before the national unification council on April 8, Li, also the chairman of the KMT, called on Beijing to renounce its threat to take Taiwan by force and emphasized that China should be unified for the welfare of all its people and not subjected to partisan conflict.

"(Taiwan) should actively promote cross-strait exchanges... The eventual goal is to let all Chinese people enjoy the welfare that is available," Hsu said.

Meanwhile, Hsu also called for the establishment of a consensus within the party and closer cooperation among party members to ensure that the KMT will win the year-end legislative elections.

He said a "dangerous situation" would result if none of Taiwan's political parties win a majority of the seats in the Legislative Yuan and a coalition cabinet has to be formed.

"Just imagine the difficulties in pushing for the passage of key legislation in the legislative chamber," Hsu warned.

At present, the KMT controls 95 seats in the Legislative Yuan while the Democratic Progressive Party has 51 seats. The Chinese New Party holds 7 seats and nonpartisans have the remaining 7 seats.

**Spokesman Reiterates Stand**

OW1704023695 Taipei CNA in English 0149 GMT 17 Apr 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, April 15 (CNA)—Wu Poh-hsiung, secretary-general to president Li Teng-hui,

Saturday reiterated President Li's firm stance in pursuing national unification and urged all Kuomintang [KMT] members to work together to achieve the goal.

Wu made the remarks during a speech at a seminar sponsored by the KMT's Department of Cultural Affairs. The seminar was called to elaborate on Li's recent six-point statement on cross-Taiwan Strait affairs. Li's statement was his first official response to mainland Chinese President Jiang Zemin's eight-point statement on a similar topic earlier this year.

While pointing out that President Li's staunch anti-Taiwan independence stance aims for eventual unification of China, Wu stressed that Taiwan's unification with Mainland China should come step-by-step and in compliance with the Republic of China [ROC] Constitution, which provides a solid legal framework for the government in its pursuit of unification.

Wu called on all KMT members to put aside their disagreements and help work toward the goal, stressing that unnecessary doubt will only hinder national development and foster discontent within the party.

Wu blasted those who interpret Li's pragmatic diplomacy as pro-Taiwan independence, saying that their behavior casts a shadow over the nation's future development.

While hailing Li's achievements in promoting the ROC's international status, Wu made it clear that Li's efforts to gain international recognition are aimed at proving the existence of the ROC, which he said is an "iron reality" that should not be ignored.

Furthermore, allowing the ROC a voice in the international community will also help ensure the nation's safety, Wu added, concluding that only a prosperous and stable Taiwan will be able to create a good atmosphere for future development toward the eventual unification of China.

**Taiwan Lobbies To Attend UN Ceremony**

OW1504021295 Taipei CNA in English 0133 GMT 15 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 14 (CNA)—Despite repeated U.S. objections, the Republic of China [ROC] government will continue to lobby for participation in a ceremony marking the 50th anniversary of the United Nations in San Francisco next month, a government official said Friday.

"The Republic of China is one of the founding members of the UN and a signatory to the UN charter. The Ministry of Foreign Affairs regrets that the Clinton administration is opposed to the ROC plan to send a high-level delegation to the ceremony," Foreign Ministry Spokesman Rock Leng said, adding that his ministry will not cancel the plan.

In a recent reply to an inquiry at the Legislative Yuan, Foreign Affairs Minister Chien Fu had said the government will use the ceremony and this year's UN General Assembly meeting to make known to the world that the 21 million people on Taiwan have been unfairly excluded from the UN.

Chien did not elaborate for fear of inviting pre-emptive pressure from Beijing. Beijing took the UN China seat from Taipei in 1971.

#### **Patrols To Protect Operations in North Pacific**

OW1504024895 Taipei CNA in English 0146 GMT 15 Apr 95

[By Flor Wang]

[FBIS Transcribed Text] Kaohsiung, April 14 (CNA)—A Taiwan marine police patrol ship will leave for the north Pacific Saturday to protect the operations of Taiwan fishermen there, a spokesman for the Second Squad of the Seventh Peace Preservation Corps said Friday.

The Hsun Hu No. 1, the patrol boat, will carry police armed with light weapons, according to the spokesman. The patrol had originally planned to leave Kaohsiung Tuesday, but bad weather delayed the mission, he added.

While on patrol, the 800-ton Hsun Hu No. 1 may stop in Hawaii and Japan for supplies. Two other patrol ships, the Hsun Hu No. 2 and the Hsun Hu No. 3, will also depart soon on similar missions.

#### **Group Uses Satellite Photos To Monitor Spratlys**

OW1604015295 Taipei Voice of Free China in English 0200 GMT 15 Apr 95

[FBIS Transcribed Text] A Taiwan institution Thursday [13 April] unveiled satellite photos of military and other facilities put up by various claimants of the disputed Spratly Islands. At the same time, a top official pledged that authorities would risk death if a mission to patrol to the archipelago was for declaring ROC [Republic of China] sovereignty. Through satellite monitoring technology, the Industrial Technology Research Institute has successfully completed a survey of the conditions and location of various reefs and islands of the disputed Spratlys without risking to provoke other claimants there.

Tension in the South China Sea has been heightened by the recent dispute between mainland China and the Philippines. Vietnam's protest to the ROC of what it claims the ROC troops shooting at its supply vessel and building of structures on a reef near a Vietnamese base has added to this tension.

The survey project director Wu Chi-nan told reporters that by using the newly developed technology, the institute can safely monitor the condition on the Spratlys without intensifying the tension. Since the archipelagoes spread more than 730,000 square kilometers, it would

consume more time and money in surveying the resources in the South China Sea.

Currently, the Philippines claims eight islands which it calls the Kalayaans. Malaysia acquires three atolls. Vietnam is by far the claimant which occupies the largest number of islets or reefs: 26 in the region.

#### **Chairman Urges Beijing To Drop Threat of Force**

OW1504112595 Taipei CNA in English 0954 GMT 15 Apr 95

[By Debbie Kuo]

[FBIS Transcribed Text] 15 (CNA)—Mainland Affairs Council (MAC) Chairman Vincent Hsiao said Saturday that Taipei cannot talk with Beijing about China's unification without a guarantee of security.

Only after Beijing renounces its threat of force against Taiwan can the two sides sit at the negotiation table for talks about national integration, Hsiao said at a workshop hosted by the Kuomintang cultural affairs department.

Hsiao said if Beijing hopes to end cross-Taiwan strait hostilities, the authorities there must first admit Taiwan's existence and the reality that China is now divided and ruled by two separate governments.

Only when Taipei is properly respected by Beijing can Taiwan sit and talk about the ultimate goal of unification, he said.

Hsiao reiterated that the ROC renounced the use of force in solving cross-strait disputes by announcing the termination of the period of national mobilization for suppression of communist rebellion on May 1, 1991.

"It is unreasonable that while Taiwan has renounced war against the mainland, the mainland refuses to reciprocate," he reasoned.

Despite the discouraging situation, Hsiao said, Taiwan still expects eventual rapprochement between the two sides. He said he hoped the second meeting between C.F. Ku and Wang Daohan, heads of the two leading cross-strait intermediary bodies, the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Strait (ARATS), will be held shortly.

#### **Official Sees No Power Struggle Before 1997**

OW1704023595 Taipei CNA in English 0124 GMT 17 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 15 (CNA)—A senior Kuomintang [KMT] official said Saturday [15 April] that there would be little change in mainland Chinese leadership before 1997 even if paramount leader Deng Xiaoping dies now.

Speaking at a seminar on Taiwan's Mainland China policy, Huang Yao-yu, director-general of the KMT's Department of Mainland Operations, said Deng's death would not spark a power struggle until the 15th congress of the Chinese Communist Party in 1997.

Huang said that mainland Chinese President Jiang Zemin's recent eight-point statement on cross-Taiwan Strait relations was made in the context of serious domestic problems in the mainland and took into consideration recent international political developments.

After Deng's death, he continued, Jiang, the heir apparent, will be able to maintain power with a collective leadership, which is not expected to face problems until the 15th congress meeting in 1997.

Huang said Jiang also made the eight-point proposal because he expects changes in Taiwan, Inner Mongolia and Xinjiang between now and 1997. The proposal was aimed at explaining Beijing's current policies to the world and mainland Chinese and building consensus for Jiang, Huang added.

#### **Taiwan Seeks Stronger Role in Asia-Pacific**

OW1704111095 Taipei CNA in English 0918 GMT 17 Apr 95

[By P.C. Wu & Debbie Kuo]

[FBIS Transcribed Text] Bali, Indonesia, April 16 (CNA)—The Republic of China [ROC] hopes to play a more important role in the Asia-Pacific economy and strengthen ties with countries in the region to speed the arrival of a "Pacific era," ROC Finance Minister Lin Chen-Kuo said here Sunday.

In a report at the second Asia-Pacific Economic Cooperation (APEC) forum finance ministerial meeting, Lin introduced Taiwan's economic evolution and future trends, as well as Taiwan's plan to develop into an Asia-Pacific business operations and finance center.

Lin told finance ministers and vice ministers from 18 APEC member economies that a "seeking growth in stability" strategy has been successfully implemented in Taiwan over the past four decades, enabling sustained growth and making Taiwan a world economic powerhouse.

Taiwan has posted an annual real growth of 7.8 percent over the past 10 years while maintaining a 1.7 percent unemployment rate and a 2.6 percent consumer product index growth rate, fully demonstrating the "growth in stability" strategy, he said.

In 1994, he added, Taiwan posted 6.5 percent gross domestic product (GDP) growth, with foreign trade reaching US\$178.4 billion. Taiwan's foreign exchange reserves hit US\$92.4 billion last year, he noted.

Although the development is encouraging, Lin said, Taiwan is now at a turning point as a result of the rapid changes in the economic, social and political situations at home and abroad.

Lin asked APEC members to support Taiwan's plan to turn itself into an Asia-Pacific finance hub, which he said will integrate the foreign exchange market, offshore banking market and international syndicate loans market, making Taiwan an efficient regional funding center.

Taiwan is opening its arms to welcome foreign banking institutions, insurance firms and stock operators as partners in the island's financial activities, he said.

As part of its bid for membership in the World Trade Organization (WTO), Taiwan is lowering tariffs and removing non-tariff barriers on foreign imports, he added.

Taiwan is also liberalizing other service markets, Lin said, including opening foreign investment in domestic telephone and telecommunications as well as transportation markets.

The APEC finance ministerial meeting, which opened in the resort island of Bali Saturday, ended Sunday. Participants agreed to pursue macroeconomic stability and balance.

The ministers of the 18-member APEC forum also agreed to ensure stable capital flows into the region and prevent erratic currency fluctuations.

In a joint statement, the Japanese and US finance ministers agreed to strengthen bilateral cooperation in the currency market and act appropriately to maintain a stable international current system.

Sources said the meeting recommended streamlining capital market rules governing financial disclosures and rating systems, which vary significantly from country to country.

The group agreed to meet again March 17, 1996 in Kyoto, Japan.

#### **Minister Attends APEC Meeting, Seeks Support**

OW1704031995 Taipei CNA in English 0134 GMT 17 Apr 95

[By P.C. Wu and Lilian Wu]

[FBIS Transcribed Text] Bali, Indonesia, April 15 (CNA)—Republic of China [ROC] Finance Minister Lin Chen-kuo met with his counterparts from Malaysia, Australia, the Philippines, South Korea and Canada at the second Asia-Pacific Economic Cooperation (APEC) forum finance ministerial meeting which opened in Bali, Indonesia, Saturday.



Lin said he asked for support of Taiwan's bid to join the World Trade Organization and discussed tariffs and currency rates during the meetings.

Lin joined 17 other finance ministers and officials for the two-day meeting, which was opened by Indonesian Vice President Try Sutrisno on behalf of President Suharto.

The meeting will focus on capital interflows, the influence of currency fluctuations on trade and investment, and infrastructure financing.

Except for Chile, Mexico, Malaysia, New Zealand and Papua New Guinea, who were represented by their vice finance ministers, all other APEC members were represented by their finance ministers.

The Association of Southeast Asian Nations, Pacific Economic and Development Council and South Pacific Forum also sent representatives to the meeting.

APEC groups Australia, Brunei, Canada, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, Papua New Guinea, Mexico, the United States and Chile.

The first APEC finance meeting was held in Honolulu in March 1994, during which finance ministers reached agreement on principles for cooperation.

**Li Says Ties With Dominican Republic 'Strong'**  
OW1504021195 Taipei CNA in English 0120 GMT 15 Apr 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, April 14 (CNA)—President Li Teng-hui said Friday that traditional cordial ties between the Republic of China [ROC] and the Dominican Republic remain strong and that the ROC is very willing to offer assistance to boost bilateral cooperative relations.

Li made the remarks during a meeting with Dominican Revolutionary Party leader Jose Francisco Pena Gomez. In addition to cooperation in agriculture and fishery, Li said the two countries should also strengthen communication and exchanges in all fields for mutual benefits.

Li also gave his thanks to Pena for his country's long-standing support of the ROC's bid to join international organizations. In return, Gomez expressed appreciation for the assistance and help that the ROC has extended to the Dominican Republic, stressing that he believes bilateral ties and friendship will remain solid no matter which party runs the government. Pena said he was very impressed by the rapid development of the ROC and hailed the ROC as a model example to learn from.

Also present at the meeting were Vice Foreign Affairs Minister Fang Chin-yen and Ting Mao-shih, secretary-general of the National Security Council.

**Argentine Authorities Urged To Release Trawler**  
OW1704103695 Taipei CNA in English 0900 GMT 17 Apr 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 17 (CNA)—The Council of Agriculture (COA) confirmed Monday that a Taiwan fishing boat has been detained by Argentine authorities since April 14 for allegedly intruding into Argentina's 200-mile exclusive economic zone.

COA officials said they have asked the Ministry of Foreign Affairs to negotiate for the early release of the Taiwan trawler and its crew.

Reports from Argentina said the Hsin Hang trawler was intercepted by the Argentine Coast Guard last Friday in waters some 160 miles off Argentina.

The 400-ton squid trawler is now moored at Bahia Blanca, a port 600 kilometers (372 miles) south of Buenos Aires, and its 26 crew members from Taiwan, Mainland China, the Philippines and South Korea are being kept on board, the reports said.

The COA officials said they have directed other Taiwan fishing boats operating nearby to exercise caution and avoid intrusion into the exclusive Argentine economic zone. More than 100 Taiwan trawlers are operating in the South Pacific at the moment, the officials said.

Fishery sources said Argentina usually requires a detained fishing boat to pay a fine of up to US\$500,000 and turn over its fish catch before being released.

Foreign Ministry officials said they have directed the Republic of China [ROC] representative office in Buenos Aires to push for an early release of the trawler and its crew.

**Institute, Russian Academy Forge Ties**  
OW1504120395 Taipei CNA in English 0904 GMT 15 Apr 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, April 15 (CNA)—The Russian academy of sciences signed a memorandum with Taiwan's Industrial Technology Research Institute (ITRI) Friday [14 April] for information exchanges and technology cooperation.

Economic Affairs Minister P.K. Chiang officiated at the signing of the memorandum by the heads of the two institutes.

According to the memorandum, the two institutes will exchange personnel, information and technologies. The two sides will also cooperate in joint research programs, which will enhance technical cooperation between the two countries, ITRI officials said.

The agreement, the officials said, will serve as a major channel for the introduction of cutting-edge Russian technology and know-how into Taiwan.

This was the third cooperative agreement the government-financed Taiwan research institute has inked with top scientific research organizations in the Commonwealth of Independent States (CIS) since last year.

ITRI forged similar cooperative ties with the Ukraine Academy of Sciences and the Moscow Physical and Scientific Technology Academy earlier.

The cooperation projects also paved the way for Taiwan industries and businesses to the vast CIS market, the officials said. ITRI helped sponsor an industrial cooperation seminar for Taiwan industries in late March, during which some 40 manufacturing industries and technologies were finalized as "promising" areas for cooperation with CIS firms, they added.

#### **Taiwan-Czech Economic, Trade Association Founded**

OW1704111195 Taipei CNA in English 0907 GMT 17 Apr 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, April 17 (CNA)—The Taiwan-Czech Economic and Trade Association was founded in Taipei Monday to serve as a bridge for businesses and help forge closer bilateral economic and trade exchanges.

The association will "show Taiwan businessmen how to earn money from the Czechs" by offering tips and trade information to those interested in exploring the market there, Association Secretary-General George Shi said during the founding ceremony.

A cocktail party to celebrate the founding is scheduled for May 12 and will bring together government officials and industrial and business leaders from both sides. The Czech economic affairs minister is expected to come to Taiwan for the party, Shi said.

The association is planning a number of trade promotion activities for its first year, including organizing two Taiwan trade missions to visit the Czech Republic in June and October and inviting Czech trade missions to visit Taiwan in September and November.

The Czech Republic is the only Eastern European country with foreign exchange reserves, totaling about US\$6 billion. With a highly educated and skilled work force, the Czech Republic boasts strong machinery, automobile, chemical and rubber-plastics industries.

The country has the greatest number of ancient castles in Europe and other rich tourism resources, making it one of the most popular destinations for foreign tourists.

Shi said Eastern Europe offers a vast and new market for Taiwan, of which the Czech economy is the most stable

and prosperous. The Czech Republic is also praised as the most economically liberalized country in the region as it allows free flows of foreign exchange, extends tariff privileges to foreign investors and allows foreigners to own real estate, he said.

Although the nation has rich natural resources and well-established heavy industries, its consumer goods and electronic markets are practically untapped, Shi said, adding that Taiwan businesses should start exploring the markets there.

#### **Centennial Commemoration of Treaty Planned**

OW1504021395 Taipei CNA in English 0112 GMT 15 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 14 (CNA)—A 100-member delegation from Taiwan will fly to Japan Monday to mark the 100th anniversary of the Treaty of Shimonoseki, which saw China cede Taiwan to Japan and the beginning of 50 years of Japanese colonial rule over the island.

The delegation, to be led by Legislator Annette Lu, former chairwoman of the Legislative Yuan's Foreign Affairs Committee, will visit the southern Japanese city of Shimonoseki for the centennial.

The commemoration aims to "put to rest the 50-year-old myth clung to by the People's Republic of China [ROC] that it possess sole sovereignty over Taiwan," according to a written statement released by the Taiwan International Alliance (TIA), sponsor of the activity.

"The second primary objective is to seize the historic occasion to examine the progression of Japan-Taiwan relations from the colonial relationship which began 100 years ago to the current state of non-diplomatic relations," TIA said.

The bi-partisan delegation will be composed of legislators and National Assembly members, scholars and artists, business people and leaders of Taiwanese indigenous groups, one of president Li Teng-hui's high-ranking political advisers, and Taiwanese veterans who were conscripted into the Japanese Imperial Army during World War Two.

Once there, the delegation will join with Japanese participants, including a former minister of justice, Diet members, scholars, writers, politicians, religious leaders and people who grew up in Taiwan during Japanese colonial rule. China and Japan signed the treaty in 1895 after China's defeat in the 1894-1895 Sino-Japanese war.

#### **Delegation Leaves**

OW1704033995 Taipei CNA in English 0108 GMT 17 Apr 95

[By Lilian Wu]

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[FBIS Transcribed Text] Taipei, April 15 (CNA)—A large Taiwan delegation, led by legislator Annette Lu, left for Japan Saturday [15 April] to commemorate the 100th anniversary of the Treaty of Shimonoseki, which saw Taiwan ceded to Japan and the beginning of 50 years of Japanese colonial rule over the island.

Before her departure, Lu urged Japan to take responsibility for damage done to Taiwan during the colonial period and after Tokyo severed ties with Taipei in 1972. She also urged Japan to aggressively upgrade ties with Taiwan.

In addition, Lu said that Mainland China should admit the fact that it gave up Taiwan 100 years ago. She urged Beijing to renounce its threat of force against Taiwan and live with Taiwan on an equal basis.

The delegation includes legislators and National Assembly members, scholars and representatives of the Presbyterian Church and Taiwanese forced to serve in the Japanese Army during World War II.

The delegation will visit the southern Japanese city of Shimonoseki for the centennial before returning to Taiwan Tuesday.

The Ching Dynasty and Japan signed the Treaty of Shimonoseki in 1895 after its defeat in the 1894-1895 Sino-Japanese war.

#### **Petroleum Company Forms Joint Venture in Qatar**

OW1504092395 Taipei CNA in English 0845 GMT 15 Apr 95

[By P. Y. Kuo and Sofia Wu]

[FBIS Transcribed Text] Riyadh, April 14 (CNA)—Taiwan's Chinese Petroleum Corp. (CPC) will join a multinational joint venture to produce major petrochemical intermediaries in Qatar.

In addition to CPC, the joint-venture partners also include Qatar's state-run General Petroleum Corp. (QGPC), France's Total Co., Canada's International Octane Co. and Taiwan's Li Chang Yung Chemical Industry Corp.

The multinational joint venture will have a paid-in capital of US\$735 million, with QGPC holding a 50 percent stake and the other four taking a 12.5 percent share each.

The joint-venture deal was struck recently in Qatar, according to Taiwan trade officials on a trade promotion tour in Saudi Arabia.

The new venture will set up a production facility in an industrial park in southern Qatar, the officials said, adding construction on the plant will start in July.

The plant, which will begin commercial operations in three years, will produce 500,000 tons of methyl-tertiary-butyl-ether (MTBE) and 660,000 tons of methanol annually. The output will be distributed to joint-venture partners based on their equity percentage.

MTBE can reduce lead and benzene content in gasoline and thus help lower air pollution. The investment project will enable CPC, a state monopoly, to secure adequate MTBE supplies, the officials said.

International demand for petrochemical materials has increased considerably in recent years. The officials said CPC will garner an investment return of more than 12 percent.

#### **New Malawi Envoy Presents Credentials**

OW1704110995 Taipei CNA in English 0922 GMT 17 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 17 (CNA)—Ambassador Tipu Isaac Mchimika Vareta from Malawi presented a copy of his credentials to Foreign Affairs Minister Chien Fu Monday.

He said he was very happy to be assigned to the Republic of China [ROC] and pledged to continue to promote bilateral relations.

Vareta, who arrived here Sunday, was accompanied by Larry Wang, director of the Foreign Ministry's Protocol Department.

Vareta told Chien that Malawi President Muluzi Bakili is scheduled to come to Taiwan Wednesday for a five-day visit and he asked the Foreign Ministry to help with visit preparations.

Chien expressed a warm welcome to the Malawi president and his delegation, and hoped that the visit will help boost bilateral relations.

Vareta, 50, served as ambassador to Japan before coming to the ROC. He has also served as charge d'affairs at Malawi's Embassy in South Africa, principal secretary of transport and communications, principal secretary of the Ministry of Trade, Industry and Tourism and senior principal secretary of the Ministry of Energy and Mining.

He will present his credentials to president Li Teng-hui Tuesday.



## Hong Kong

### Coverage of Hong Kong Seamen Abduction

#### Mainland Releases Seamen

HK1504063695 Hong Kong RTHK Radio Four in English 0500 GMT 15 Apr 95

[From the "News at One"]

[FBIS Transcribed Text] The two Hong Kong seamen abducted by the Chinese authorities a month ago have been released; however, the Hong Kong Government says it doesn't know their whereabouts, and they are probably making their own way back to the territory.

The men's abduction led to a diplomatic row between China and Britain. The director of Hong Kong and Macao Affairs Office, Lu Ping, is reported as saying that their release was not the result of pressure from Britain. Mr Lu said that the men were set free according to the law and that they had been treated leniently.

Legislative Councilor Jimmy McGregor said the move was a sign of improved cooperation between Hong Kong and China.

[Begin McGregor recording] This most recent business of the boat, the smuggling boat, being taken over and now releasing the crew back to Hong Kong—presumably, I hope, we'll charge them here—is another indication of a much higher degree of cooperation than we've had before. That's happening, I think, all the time. I have a very quite positive and hopeful view of the way we're progressing with China. I think there are issues, which will be, in the next few months, including the court of final appeal for example, I think, these are issues which will be resolved satisfactorily, perhaps not to everybody's satisfaction, but at the same time helpfully to Hong Kong. That we shall have a court of final appeal and that China will endorse and accept in one way or the other the arrangements which are being made. [end recording]

#### Editorial Views Release

HK1604071695 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Apr 95 p 12

[Editorial: "Release Shows Signs of Working Together"]

[FBIS Transcribed Text] Zhuhai's belated release of the two local seamen abducted in Hong Kong waters almost a month ago is to be welcomed. It shows that China still attaches rightful importance to maintaining public confidence in its ability to keep law and order in the difficult transitional years that lie ahead.

As Police Commissioner Eddie Hui Ki-on undoubtedly must have pointed out during his current visit to Beijing, allowing such an incident to escalate would have had a devastating effect on confidence in the rule of law in the territory. It would also have made it more difficult to

strengthen the close ties that have begun to develop between police and security forces on both sides of the border, especially in cracking down on cross-border smuggling.

Beijing's intervention sends an important message to Zhuhai that it will not tolerate maverick security forces straying into Hong Kong waters, even if they are in pursuit of suspected smugglers. It also suggests it accepts the Hong Kong Government's version of events that mainland security forces acted outside their jurisdiction when they arrested the two men and their vessels just off Sai Kung a month ago. In explaining away the pair's release, mainland authorities say the two seamen had confessed to smuggling cars into China and that they were accomplices rather than ringleaders. As a result, it would have been unfair to punish them while the ringleaders remained free.

It is a rather strange logic. In Hong Kong, it would be unthinkable to allow a suspect to walk away after being charged just because he was deemed a small potato. Indeed the local police were quick to act when the seamen returned to the territory yesterday. One was questioned for nine hours, arrested, and then released on bail. The other managed to elude police and was last night the subject of a territory-wide search.

What is clear is that diplomatic embarrassment played a central part in the pair's release. China wanted the dispute resolved before it cast a shadow over Tuesday's meeting of Foreign Secretary Douglas Hurd and his Chinese counterpart, Qian Qichen.

But it is ironic that two self-confessed smugglers should be freed while Australian-Chinese businessman James Peng Jiandong, remains in a Shenzhen jail, despite continually protesting his innocence of the corruption and embezzlement charges levelled against him. Both were illegally abducted outside China's jurisdiction, the two seamen in Hong Kong waters, and Mr Peng in Macao. But there the similarity ends. For the thinness of the evidence against Mr Peng is evident from the way in which the Shenzhen Intermediate People's Court has three times referred the case back to local prosecutors. In most countries, that would have been more than enough to secure an acquittal. Even if it was not, the prosecution's admission that Mr Peng was illegally abducted from his Macao hotel 18 months ago, should have led to the case being thrown out of court. That it has not is testimony to how the mainland's judicial system remains more of a political than legal process, where diplomatic pressure can count for more than the weight of evidence, as the two seamen have found, to their benefit.

In Mr Peng's case, the stakes are higher, with millions of dollars involved. Australia has so far failed to secure Mr Peng's release, despite raising the case nearly 100 times with Beijing. Britain is also expected to express its concerns, during Tuesday's meeting of the two foreign ministers. As yesterday's release of the two seamen showed, Beijing can show willingness to co-operate on

cross border matters. The hope is that it will lead to increased co-operation in resolving other pressing issues that face the territory over the next two years.

### **Marchers Protest Imprisonment of Xi Yang**

HK1504060495 Hong Kong SOUTH CHINA MORNING POST in English 15 Apr 95 p 4

[By Mariana Wan]

[FBIS Transcribed Text] Friends of Xi Yang, the Hong Kong journalist jailed in China for "leaking state secrets", called yesterday for a democracy wall to be built to symbolise the fight for press freedom. At a march to mark the sentencing of Xi a year ago, members of the Joint Operation to Fight for the Release of Xi Yang said they wanted the wall built at the Cultural Centre.

They said this was so Hong Kong people would not need to speak solely through the media, which might censor their views. The friends of Xi Yang called on legislators and urban councillors to support the project. "We hope the democracy wall will help safeguard freedom of expression," said Phyllis Luk Fung-ping, a member of the joint operation.

Ming Pao reporter Xi was jailed for 12 years for "spying and stealing state secrets". He was accused of reporting information leaked to him by a bank clerk.

A former colleague said Xi had been in solitary confinement since his arrest, while his family were only allowed to visit him once a month. "He has not seen the sun since his sentence. He has always been locked up, and not allowed out for exercise," said Lam Man-chung, of Ming Pao.

Urban Councillor Daniel Wong Kwok-tung said yesterday that he would support the idea. "I am not sure where there is space at the Cultural Centre. If not, we could have the wall built at Victoria Park," Mr Wong said. Legislator Christine Loh Kung-wai, who attended the march, said the idea of a democracy wall should be backed as it came from the community and reflected Hong Kong people's urge to ensure freedom of expression.

The march by about 80 friends and colleagues of Xi Yang, including members of the Hong Kong Journalists Association, was followed by a rally opposite the Happy Valley office of Xinhua (the New China News Agency).

[Hong Kong EASTERN EXPRESS in English in its 15-16 April weekend edition carries a similar report on page 3, which adds the following: "Police allowed the marchers to petition the Xinhua office group by group. The petitioners tied yellow ribbons along the railings outside the office and left a letter addressed to the chairman of the National People's Congress, Qiao Shi, demanding Xi's release."]

### **Chen Yun Death Not To Affect Economics**

HK1404063095 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0941 GMT 11 Apr 95

[Dispatch: "Figures in Hong Kong Economic Circles Say Chen Yun's Death Has No Impact on Economies in China and Hong Kong"]

[FBIS Translated Text] Hong Kong, 11 Apr (ZHONGGUO TONGXUN SHE)—Chen Hong, Bank of China general board member, BOC Hong Kong Branch adviser, and deputy of the Hong Kong region to the PRC National People's Congress [NPC], said that the death of the grand old man Chen Yun is a loss to China because he continuously made remarkable contributions to China's economy. Li Hsiu-heng [Li Sau-hung], president of the China-Hong Kong Chamber of Economy and Trade, and Hong Kong affairs adviser, believes that the death of Chen Yun will have no impact on economic development in either mainland China or Hong Kong.

Speaking to this agency's reporter, Chen Hong said: Although Chen Yun continually held a tremendous impact on China's economic development, it is anticipated that his death will affect China's economy very little, because he had not been consulted over the past few years about many specific affairs owing to his old age and poor health. Chen Hong added: Since Chen Yun had not participated in the specifics of China's economy for several years, no major changes in relevant measures adopted by China recently will take place due to his death.

Meanwhile, when interviewed by this agency's reporter today, Li Sau-hung expressed his profound condolences over the death of CPC elder Chen Yun.

Li Sau-hung pointed out: Chen Yun's death is a loss to China's political circles. Over the past few years, however, with the veteran revolutionaries stepping down from their leading posts one after another, the Chinese Government has attained steady and healthy political and economic development under the leadership of a relatively younger generation. Hence, Chen Yun's death will not greatly affect the economies in China and Hong Kong.

### **Editorial Criticizes Objectives of U.S. Report**

HK1604082195 Hong Kong WEN WEI PO in Chinese 14 Apr 95 p A2

[Editorial: "The United States Has No Right To Intervene in Hong Kong Affairs"]

[FBIS Translated Text] The U.S. State Department recently submitted a "U.S. Hong Kong Policy Act Report" to Congress, making some irresponsible remarks on the Hong Kong issue. In response to this, the Chinese Foreign Ministry spokesman solemnly criticized the U.S. attempt to meddle in Hong Kong affairs and to interfere with China's internal affairs. The spokesman

pointed out that this action by the United States will do no good to the implementation of the Sino-British Joint Declaration, but instead will jeopardize the interests of the United States, and of other countries and areas which are maintaining extensive economic and trade relations with Hong Kong.

In taking this action, the United States has harmed others without benefiting itself. By the way, the action has no legal ground at all, since the Hong Kong issue will remain an affair between China and Britain before 1 July 1997, and will be handled in accordance with the provisions of the Sino-British Joint Declaration. Beyond that date, China will resume the exercise of sovereignty over Hong Kong, and Hong Kong affairs thus will become China's own internal affair, in which no other country has the right to meddle. Now the United States is attempting to interfere with, and have a hand in Hong Kong affairs by virtue of its domestic law. This constitutes a violation of international law and practice, and therefore is unacceptable to the Chinese Government and people, whether before or beyond 1997.

For a long time, the United States has been attempting to interfere with, and poke into Hong Kong affairs by virtue of its domestic law. More than two years ago, some politicians in the U.S. Congress fabricated a "U.S. Hong Kong Act," and had it passed by the Congress and endorsed by the President. This act absurdly authorizes the U.S. President to supervise the implementation of the Sino-British Joint Declaration, and demands that the State Department regularly submit to the Congress a report on the democracy and human rights conditions in Hong Kong. This report, recently submitted to Congress by the U.S. State Department, was simply a show put up by the department to meet the requirements of the act. It is with the same motive that the United States has made use of the State Department's annual "human rights report" to attack China with regard to its human rights condition, and since 1990 has repeatedly raised anti-China motions at the annual UN Human Rights Committee meeting. The only difference between the first act and report, and the other two is that the U.S. annual "human rights report" and the anti-China motion raised to the United Nations are aimed at attacking mainland China with regard to its human rights condition, while the "U.S. Hong Kong Policy Act" and the relevant report submitted to Congress by the U.S. State Department on a regular basis, are part of the attempt to place Hong Kong under the jurisdiction of a U.S. domestic law, and thus turn Hong Kong into the 51st state under U.S. remote control. Despite their different specific objectives, all these actions have disregarded the norms of international law, and have flagrantly interfered in China's internal affairs.

The United States long has coveted inheriting Britain's "political assets" in Hong Kong after 1997. So it is nothing unexpected that the U.S. Hong Kong Policy Act was raised at a time when Hong Kong was entering the late transitional period. This act argues that the United

States needs to be politically involved in Hong Kong affairs because of its enormous investment interests there and because of the great volume of trade between the two sides, but this argument does not hold water at all, as U.S. investments in Hong Kong, and its economic and trade relations with Hong Kong, are already protected by the Basic Law of the Hong Kong Special Administrative Region [SAR]. The Basic Law stipulates: "The Hong Kong SAR is to pursue the policy of free trade, and to safeguard the free movement of goods, intangible assets and capital." The same law also stipulates: "The government of the Hong Kong SAR is to safeguard the free flow of all capital within, into, and out of the Region." The Basic Law has provided full guarantees to ensure that all foreign investments, like local capital, can participate in open and fair competition under the favorable conditions offered by Hong Kong as a free port. And the responsibility of the Government of the Hong Kong SAR is only to ensure a fair and perfect environment in which capital from all countries may develop and compete. Therefore, the U.S. demand—the necessity of U.S. political involvement in Hong Kong affairs because of the country's enormous investment interests in Hong Kong and because of the great volume of trade with Hong Kong—is not justified. This demand will do no good, either to the United States or to other countries and areas that maintain extensive economic and trade relations with Hong Kong.

As an economic city, Hong Kong serves as a bridge facilitating economic ties and trade between East and West. It is not a political city, and still less a bridgehead for Western countries to interfere in China's internal affairs and subvert its government. This is the very reason why businessmen from all countries are willing to place huge investments in this place. The basic rule of capital movement is that capital moves wherever opportunities are available for development and profit making. The reason Hong Kong has attracted enormous investments from so many countries, including the United States, is because this city offers a fine environment for investment, and geographically speaking, is optimally located to facilitate economic cooperation between East and West. If the United States insists on getting politically involved in Hong Kong, it will do no good, but will only impair Hong Kong's fine investment environment, and upset the pattern of economic cooperation in the Asia-Pacific region as a whole. The serious consequences arising therefrom would inevitably harm the United States itself as one of Hong Kong's trade partners.

Thus it is pretty obvious that the U.S. attempt to meddle in Hong Kong affairs politically will harm others without benefiting the United States itself. Of course, this attempt by the United States will hardly succeed because the Chinese Government and people will steadfastly hold to their stand with regard to safeguarding China's sovereignty as a major matter of principle, no matter what tricks the Americans play. So it is wise for the United States to change its course before it is too late.



**Douglas Hurd To Press Qian on Airport Financing**

**HK1604070795 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Apr 95 p 1**

[By SUNDAY MORNING POST political staff]

[FBIS Transcribed Text] Foreign Secretary Douglas Hurd is to protest at China's continuing delays in reaching agreement on the airport project, during Tuesday's meeting with his mainland counterpart, Qian Qichen.

Mr Hurd will complain Beijing is still blocking vital financial service agreements for the Mass Transit Railway Corporation and Provisional Airport Authority, five months after it promised to conclude these "as quickly as possible", in last November's agreed minute on funding for the Chek Lap Kok project.

The Foreign Secretary will warn his Chinese counterpart that the continuing delay in reaching agreement is driving up costs, and pushing back the completion date of the airport.

But the China Daily yesterday quoted mainland foreign ministry spokesman Chen Jian as warning the ball was in Britain's court, and it was London's responsibility to take "concrete action" to demonstrate its sincerity about improving ties.

"We hope the British side can increase co-operation and reduce skirmishes on bilateral relations and the Hong Kong issue," Mr Chen said.

Also on the agenda for Tuesday's two-hour meeting, at the United Nations in New York, will be the Court of Final Appeal controversy, and the failure to make any progress during the recent meeting of the Joint Liaison Group.

But, contrary to recent reports in Hong Kong, Mr Hurd will not threaten to unilaterally table the bill establishing the new body if the two sides fail to reach agreement. Instead he will only ask China to state its concerns on the issue.

The Foreign Secretary is also expected to steer clear of Governor Chris Patten's campaign for a meeting with Hong Kong and Macao Affairs Office chief Lu Ping.

Mr Lu, who will next month visit the territory to attend Preliminary Working Committee subgroup meetings, gave no response when British Ambassador to Beijing Sir Len Appleyard recently raised the issue with him.

Despite this, Mr Hurd has no plans at present to repeat the Governor's request for a meeting.

Earlier plans to protest at the recent border incursion incident, which saw two Hong Kong seamen abducted by Zhuhai authorities, are now also likely to be dropped, following China's decision to release them.

Tuesday's meeting will be the first high-level Sino-British diplomatic contact since the two foreign ministers last met at the United Nations in September.

It takes place in the margins of the Nuclear Non-Proliferation Treaty review conference, and will be largely devoted to discussing multilateral and international issues.

But a Foreign Office spokesman in London said he expected nuclear-related issues to form only a small part of the agenda.

This was because Britain and China had broadly similar views on international efforts to prevent the proliferation of weapons, he said.

**Projects To Boost Links With Pearl River Delta**

**HK1404050095 Hong Kong SOUTH CHINA MORNING POST in English 14 Apr 95 p 2**

[By Keith Wallis]

[FBIS Transcribed Text] More cross-border projects linked to simplified immigration procedures are needed to help the territory's integration with the rest of the Pearl River delta, according to transport specialists. The call was made on the second day of an international conference organised by the Hong Kong Institute of Planners, the University of Hong Kong and the Chinese University.

Schemes include a road bridge across Deep Bay from Castle Peak Road near Yuen Long, to Shekou and Shenzhen international airport, with a bridge for rail traffic to ports at Shekou and Chiwan. "A proposed rail link via the Deep Bay bridge could divert some of the freight ... from the congested Lowu crossing," said assistant director of the university's Centre of Urban Planning and Environmental Management, Dr Anthony Gar-On Yeh.

The construction of more roads is essential for future economic growth, according to the head of a leading firm of engineering consultants, MVA Asia. "The possible Shenzhen/northwest New Territories links and the Zhuhai [Lingdingyang bridge] links ... will have far-reaching impact in the Pearl delta," said MVA Asia managing director Fred Brown. Better management of border crossings, including computerisation and simplification of immigration and Customs procedures, were required, said Mr Yeh, who predicted an explosion of development in the border area near Lok Ma Chau. "Border service areas with hotels, restaurants, car parks, storage and petrol stations are needed," he said.

This would become even more urgent if the Chinese authorities made it easier for people to use cars and trucks to cross the border. "Any relaxation in this legislation will substantially affect cross-border usage and infrastructure requirements," said Mr Brown. Mr Yeh also called for the setting up of a joint Hong

Kong-Guangdong provincial government body, tougher than the existing Infrastructure Co-ordinating Committee, with the power to decide development and planning issues. But a leading American academic, Professor Leo Thurow from Massachusetts Institute of Technology, said developers and the Government should also be aware of the growing technological revolution which could have a major impact on infrastructure planning.

Enhanced video conference techniques meant people would no longer have to travel to attend meetings or lectures. "Hong Kong should be aware of how to organise things to minimise infrastructure. Building roads never works," said Professor Thurow, who predicted that not all the airports being built in the Pearl River region would survive. He agreed Hong Kong's future lay in the Pearl River delta, which would act as a funnel to channel trade and wealth between Hong Kong, Guangzhou and the rest of China.

Principal Government Town Planner Dr Ted Pryor said planned reclamation was necessary to cope with demand for commercial development along the waterfront on Hong Kong Island and Kowloon. It would also help "thin out" congested parts of Kowloon and ease traffic congestion. But these plans have been criticised by leading members of the Town Planning Board, who have launched a campaign to halt further reclamation. They said the New Territories should be developed first.

## Reportage on Civil Service Issue

### Official Answers Patten

HK1604081595 Beijing XINHUA Hong Kong Service in Chinese 1005 GMT 13 Apr 95

[FBIS Translated Text] Hong Kong, 13 Apr (XINHUA)—Hong Kong Governor Chris Patten recently said that the retirement of some senior civil servants was a problem of confidence. For this, Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, yesterday pointed out: The Sino-British Joint Declaration and the Basic Law both explicitly stipulate the policy toward Hong Kong's civil servants, but the British side continues to provoke confrontation, and to undermine Sino-British cooperation, and this has driven the civil servants into a position of being at a loss as to what to do.

On a public occasion, Zhang Junsheng said: In 1984, when the Sino-British Joint Declaration was signed, the Chinese side explicitly announced the policy for Hong Kong civil servants; following that, Basic Law more concretely specified that after 1997, the civil servants working with the Hong Kong Government would continue to be employed. The Basic Law also clearly specifies their salaries and fringe benefits. All these policies are conducive to maintaining the stability of the Hong Kong civil service.

Zhang Junsheng said: If the retirement of some civil servants actually were related to their confidence, as Mr Patten said, I think that the British should reconsider their own practices first. In recent years, the British side has continued to provoke confrontation against the Chinese side, and to undermine cooperation between the two sides. This has made it hard for the civil servants to decide what to do.

When asked about the fact that the British Hong Kong authorities did not inform the XINHUA Hong Kong Branch beforehand when they promoted a batch of senior civil servants, Zhang Junsheng said: This time, the British side repeated its erroneous practice, and only informed the Hong Kong and Macao Affairs Office of the State Council, and did not inform the Foreign Ministry and the XINHUA Hong Kong Office. Director Lu Ping of the Hong Kong and Macao Affairs Office explicitly told the British side that it should notify the Foreign Ministry and the XINHUA Hong Kong Branch on these matters. This showed that although they keep talking about cooperation, the British side simply said one thing and meant another.

### La Casts Doubt on Future

HK1604071095 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Apr 95 p 2

[By special correspondent in Wuxi]

[FBIS Transcribed Text] China's top spokesman on Hong Kong affairs yesterday cast doubt on whether senior government officials would be allowed to serve beyond 1997, launching an outspoken attack on Chief Secretary Anson Chan Fang On-sang's handling of the civil service.

Hong Kong and Macao Affairs Office chief Lu Ping questioned how China could allow the policy secretaries appointed in last week's reshuffle to remain in place after the handover when the Government refused to provide information on them, and the reasons for their promotion.

"We don't know their situation, their background and whether they are qualified for the job," Mr Lu said, speaking in the eastern Chinese city of Wuxi, where he is meeting with more than 50 Hong Kong affairs advisers.

Mrs Chan last week promoted three local officials to policy secretary positions in the latest of a series of reshuffles which has seen most top government posts change hands in recent months.

But Mr Lu warned it was far from certain that the new line-up of top civil servants would remain beyond 1997, since the Government appeared to be refusing to allow him to have direct contact with them.

"They won't let me know more about them, but they keep saying they have to remain in place after 1997," he said. "This is disadvantageous to the transition of the civil service."

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Without mentioning Mrs Chan by name, Mr Lu attacked the Chief Secretary's recent warning that she would not allow her policy secretaries to meet him when he visits the territory next month.

"Somebody said before that, even if I went to Hong Kong, they wouldn't let me have contact with civil servants. As they won't let me talk to them, how can I understand them? How can I talk about their future after 1997?" he asked. "(She) said my contacts with other civil servants would split the team. Why should I split them? Why do I need to do so? Is this a joke?"

Mrs Chan said, in a recent off-the-record briefing, that if Mr Lu refused to meet herself and the Governor, Chris Patten, during his visit, other senior government officials would be unlikely to agree to meet him.

She said it would be "inappropriate" for Mr Lu to meet policy secretaries without seeing Mr Patten and herself.

The Chinese official said this amounted to a policy of "isolating" civil servants from Beijing, which would harm prospects for a smooth transition.

Mr Lu added that he hoped to talk to more civil servants about the transition, and that they could remain in office beyond the handover.

His comments yesterday appeared to be an extension of earlier attacks on the Hong Kong Government for refusing to pass over the files on its top civil servants to China, including details of any foreign passports they hold. The administration argues that it does not keep such nationality details, and what information it does hold should be seen by the future Chief Executive rather than Beijing.

Also speaking in Wuxi yesterday, the deputy director of the Office, Wang Fengchao, said there would not be a big upheaval in the civil service after 1997—but specifically excluded principal officials from this promise of "no big changes".

Under the Basic Law, Beijing will appoint the principal officials of the Special Administrative Region, on the recommendation of its Chief Executive.

Mr Wang warned these appointments were nothing to do with Britain. "There is no question of a Sino-British discussion on the matter before 1997," he said.

#### **Editorial Views Retirements**

HK1604071895 Hong Kong SUNDAY HONGKONG  
STANDARD in English 16 Apr 95 p 4

[Editorial: "Skilled Pool To Ease the Transition"]

[FBIS Transcribed Text] There has been yet another moving of chairs and offices in the government hierarchy as early retirements and localisation interrupt the placid exterior of the administration.

It suits some quarters to make propaganda and/or political capital out of this. There, the point is pushed that fear or uncertainty of a future to be underwritten by The People's Republic of China is causing an underswell of near panic. It is also insinuated that the depletion in the loftier ranks of the civil service would result in the once efficient and well-run administration, being irreparably compromised.

If the departure of a few seasoned government cadres is worrisome, the dropping out at the same time of senior ranking police officers should be more alarming. Together, the situation portends serious implications as Hong Kong transits inexorably into a totally new and yet unfathomable experience. This, however, is an entirely false scenario.

We do not need reassurances from on high each time a "reshuffle" peaks. Those who try to sell us the notion that the retirements, etc, are as irredeemable as they say, are only contradicting themselves. An efficient organisation takes into account every contingency, more so that very situation the public are being frightened about.

The truth of the matter, as Chief Secretary Anson Chan has reiterated and Secretary for the Civil Service Michael Tse had done the same only more often, is that there is a pool of resources big enough to meet any emergency. So too, have succeeding police commissioners and their aides periodically reassured. Early retirement with a bundle of bucks undreamed of a decade ago, coupled with the increasing market demand for top executive talent combine into a luring proposition hard for many to resist. Nevertheless, there are at least as many who find conditions of service these days in the government equally as attractive and these are no less talented or capable if and when they have the chances to show.

Moreover, whether from pollsters or the media, we hear only what the people behind them see. At the grassroots, there is less pessimism than is portrayed and greater optimism in a viable future than some people would like to concede. The administration must be aware of this. It needs only to shout it aloud.

Hong Kong people living their everyday lives have, by and large, trust in, and almost familial dependence on, the government and those who make it work so well. A number of celebrated dropouts here, and a few changes there, can never upset this local confidence. Especially since local hands are now increasingly at the helm.

#### **La Ping Views Barring Advisers From Meetings**

HK1704043195 Hong Kong SOUTH CHINA  
MORNING POST in English 17 Apr 95 p 1

[By Connie Law]

[FBIS Transcribed Text] The four Hong Kong advisers to the Chinese expert team will be barred from attending meetings that touch on "concrete figures about the



budget", according to Lu Ping, the mainland official in charge of Hong Kong. Mr Lu, the director of the State Council's Hong Kong and Macau Affairs Office, said this was one of the measures that would be adopted to prevent conflicts of interests.

Last month, China named four members of the Preliminary Working Committee—Nellie Fong Wong Kut-man, Shao You-bao, Sir Sze-yuen Chung and Philip Wong Yu-hong—to participate in talks at the Sino-British Joint Liaison Group on the transition of the budget. But Financial Secretary-designate Donald Tsang Yam-kuen raised concern of a conflict of interest in local people participating in the talks. Mr Lu, who is visiting Wuxi with 59 Hong Kong Affairs Advisers, said China would deal with the problem of conflict of interest properly. "We will not allow them (the four advisers) to participate in meetings that involve concrete budget figures. They are aware of that." Also, they have to stick to the confidentiality rule and cannot leak (details) to others.

Mr Lu also revealed that the four advisers would advise the Chinese team only, and they would not necessarily participate in the drafting of the 1996-97 or 1997-98 budget. In response to a challenge over the advisers' expertise on public finances, the director asked for a definition of an expert and questioned whether the Financial Secretary could be considered as one.

Mr Lu explained that China invited the four advisers to the expert team because they wanted Hong Kong people with knowledge of budget-drafting procedures. Meanwhile, a Chinese source said Beijing wanted talks with the Hong Kong Government on the drafting of the 1996-97 budget as it wanted to know how any forecast would shape its economic growth over the next few years.

**Editor Critiques Functional Constituency Elections**  
HK1504061095 Hong Kong HONGKONG STANDARD  
in English 15 Apr 95 p 4

[From the "Opinion" page by assistant editor Jackie Sam: "New Scheme Cooked Up To Confuse Voter"]

[FBIS Transcribed Text] More and more the nine new functional constituencies look like a hare-brained scheme, cooked up with little forethought and absolutely no links with reality. The potential candidates don't know who the voters are and the prospective voters don't know where they belong.

The obvious flaw is that these are not functional constituencies. The voters are merely a hodgepodge of workers in different occupations thrown together for political ends. The latest survey shows that only a third of the workers know where they belong. The total electorate consists of 2.4 million workers.

The workers are not responsible for this. The people behind this harebrained scheme must take the blame for

this. All they were interested in was to ensure that candidates not sympathetic to the British point of view would be denied any chance of winning those seats.

Now there is complete confusion and only five months left to the elections. Not enough time left to put things right. It does not look like the government is prepared to lift a finger to make the position any clearer, beyond urging people to register for the vote. That's probably because it doesn't know what to do. Or doesn't care. Probably both.

What makes this particular exercise so futile is that it is a one-shot affair, doomed to last a mere two years and never to be repeated again.

In fact, the futility of the whole September elections probably explains the utter lack of public interest in the electoral procedures. An invitation from the Boundary and Election Commission for views on these procedures has elicited only six responses. Elections in Hong Kong have consistently shown that the vast majority of the people are either not interested in the process or feel that as long as it is run by the British there is little to be gained. There is no other explanation for the poor turnout time after time.

For the incoming Special Administrative Region government there are lessons to be learnt from the ham-handed way the current administration has been running elections.

#### Post-1997 Elections

Present plans are for the SAR government to hold elections to the first post-1997 Legislative Assembly in the first half of 1998. There may not be enough time to overhaul the electoral rolls. There is a lot wrong with those registers of voters, and the SAR administration must seriously consider giving top priority to cleaning them up.

The SAR government must also consider making it compulsory for people to keep their addresses up to date. And weeding out those who don't qualify for the vote. It ought also look into possible irregularities in the way some voters have been registered during the various voter registration drives in the past.

The SAR government might also want to consider if the electoral process is perhaps too drawn-out. In most countries, for instance, nomination of candidates lasts only one day. Hong Kong is not such a big place, nor so undeveloped that voters and candidates are faced with communication problems.

The way things are run at the moment encourages non-stop electioneering by the political parties, making a mockery of the legislative process because every issue in the Legislative Council is tackled with an eye to the voter.

A major reason for this heavy politicking in the last two years, of course, is those nine new functional constituencies. The only way for prospective candidates to make themselves known to the electorate is to keep in the public eye. There is no way that the candidates can have direct access to all the voters which is another reason why the idea is so deeply flawed.

These new functional constituencies were also in part a display of one-upmanship in the drawn-out Sino-British confrontation, with Hong Kong people as mere pawns in the political game. It was not devised in the real interest of Hong Kong or its people. Come 1997 we shall all happily say "Good riddance" to this piece of electoral rubbish.

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